

The transformation process in South Africa: What does existing data tell us?

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Abstract

This paper makes a closer examination of the economic legacy of Apartheid and the needed reforms to eradicate this legacy. Apartheid left South Africa with a very high structural unemployment rate of between 30 and 40%. In addition, together with Brazil, South Africa has the ominous record of having the worst income distribution in the world. To consider this legacy and the challenges that it poses, the discussion starts with a depiction of the broad characteristics of the South African economy to orientate the reader. Thereafter follows a discussion of the different dimensions of unemployment and the distribution of income in South Africa. The paper indicates that there are racial, gender and spatial dimensions to both unemployment and the distribution of income in South Africa. Lastly, based on the analysis of unemployment and income distribution, the paper argues that the development of African females in rural areas poses the most urgent challenge to government.

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