

# Confronting Inequality: Thoughts on Public Accountability and Policy Resonance

By Thuli Madonsela

The writer is Founder and Chief Patron of Thuma Foundation, South Africa's former Public Protector and a 2017 Harvard Advanced Leadership Fellow. Advocate Madonsela was unable to be at the conference but submitted the following paper for inclusion in the proceedings and record.



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*Ms Madonsela highlights the effects of inequality on the social fabric of South African communities and how this has been exacerbated by the corruption of government, most notably the litany of recent revelations of state capture. As the most prominent face and voice behind the statutory process*

*to get government to adhere to its constitutional obligations, she implores South Africans – civil society in particular – to demand an end to the policies that have led to this ignominious state of the nation and create institutions that serve all of South Africa's people.*

**T**he dialogue on inequality is timely as inequality and poverty in our country and the world are at their highest. Extreme poverty and inequality are not only unjust but also a major threat to peace and stability. The response of the United Nations (UN) is to rally countries around Sustainable Development Goals. Providing the platform for deliberating on inequality in all its forms, must be applauded. My gratitude for the privilege of participating goes to Professor Ben Turok and the Netherlands Embassy, though regretfully I was unable physically to be present.

## **A POLARISING CAMPAIGN**

Closer to home, confronting inequality seems to have been the focus of a recent UK-engineered vicious and racially divisive campaign that caught the imagination of many South Africans, particularly black people, who remain structurally unequal to their white counterparts, regarding income, wealth and access to private social services and social capital.

Using catch phrases such as “White Monopoly Capital” (WMC) and “Radical Economic Transformation”, the campaign ran mostly on social media platforms and Gupta-Zuma-owned mainstream media channels such as the ANN7 TV channel and the New Age newspaper. Some politicians caught on to the phrases and regularly incorporated them into their speeches. The impact made increasingly fragile race relations more tense.

The campaign, that seemingly confronted the systemic economic exclusion of black people, surfaced just after allegations of state capture emerged and a Public Protector investigation of the same commenced. The reason for the investigation was the allegation that the Gupta family,

which arrived in South Africa from India on the eve of democracy, was engaged in systematic capture and repurposing of the presidency, State-Owned Enterprises and other organs of state, particularly those responsible for law enforcement and state security. The family's purpose was their own rapid economic advancement at state expense and the evasion of accountability. This they would achieve through leveraging their social and economic relationship with the President and his son, with whom they co-owned key companies.

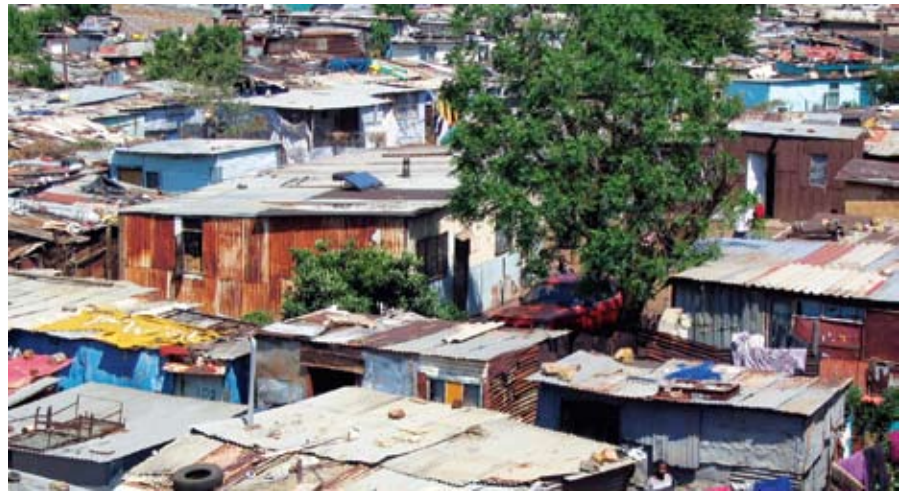
I am certain that many are now breathing a sigh of relief that Bell Pottinger has been held accountable by the UK PR peer agency and is reportedly in the process of being liquidated. Many now believe that we can now go back to "normal", whatever that may be.

## COLLATERAL VALUE

But can we go back to normal? What is normal?

Are we not at a risk of similar attacks on our democracy through the exploitation of raw feelings around socio-economic exclusion particularly as a result of race and gender based accumulated socio-economic advantage? In other words, is inequality a problem we should all be concerned about? The UN and the African Union, among others, say yes, we should all be concerned about inequality.

There is a growing body of data showing that extreme inequality and poverty is not only a threat to peace and stability but also impedes development. That makes sense to me. Structural inequality translates into structural inefficiency in the utilisation of human capital. Regarding gender inequality, the International Monetary Fund and the World Bank, among others, have conducted studies that prove conclusively that leaving women behind socially and economically weighs down a country



thus undermining its GDP. I hope you agree with me that we don't need rocket science to extend the same logic to other forms of socio-economic exclusion including race, disability and age.

It seems to me that we could draw collateral value and lessons from the toxic campaign on economic inequality. A possible lesson is that racial reconciliation remains fragile at the level of relationships and integration. We must also admit that structural and systemic inequality remains a reality.

The overwhelming response to Bell Pottinger's incitement (which in reality was the proverbial "dead cat" aimed at deflecting attention from the serious state capture allegations) tells us that poverty makes it easier to ignite extremism. Who will forget the young people acting as a vigilante group, hounding the Public Protector's office and hysterically demanding that the State Capture investigation be dropped or at least broadened to a meaningless search for anything and everything against white businesses that have engaged with or lobbied state functionaries.

## SOCIO-ECONOMIC INEQUALITY

Statistics South Africa (StatsSA) recently announced that extreme

poverty and inequality are growing in the country and remain a challenge. Of greater concern is that the number of persons said to be living in extreme poverty (that section of our population who live on less than R441 per person per month), rose from 11 million people in 2011 to 13.8 million in 2015. This is a step back to the level of extreme poverty that obtained in 2007. Statistics further show that more than 30.4 million, that is, more than half of the country's 55 million people, live in poverty, which increased from 53.2% to 55.5% between 2006 and 2015. Unemployment is at its peak at about 28% officially and about 36%, unofficially. The statistics show that the most vulnerable are children below the age of 17. But poverty statistics don't do justice to the ugly reality of poverty. They don't provide visuals, the human face of it. A visit to Tidimala lower primary school about 45 kilometres from Pretoria brought us face to face with the impact of poverty, its indignity and how it contributes to long-term underdevelopment of children from poor households. At Tidimala and Sizabantwana Primary Schools which we visited under the auspices of the Tutu Desk Foundation, we were confronted with the harsh reality of how the other half lives. This extreme poverty is juxtaposed with the fact that some of our country's business luminaries, including from ➤

historically disadvantaged groups, proudly feature in the global Forbes magazine list of dollar billionaires.

I am deeply concerned though that there was not enough interest on the issues of poverty and inequality.

## **DEFERRED DEMOCRACY DREAM**

In chapter 4 of her book, *No longer whispering to Power*, Thandeka Gqubule, with whom I was detained without trial during apartheid, nostalgically refers to the dream of “another country” that propelled us to step out and push back against apartheid. While the story is about the beauty of the dreams that drive the struggle, the narrative is also an indictment of the sad reality of similar excesses of the powerful that we thought would be buried with apartheid.

The outcome of the struggle was supposed to be a democracy that works for all with no one left behind. Part of the deal was also that no one would be above the law and no one would be deprived of equal protection under the law.

“The people shall govern” boldly declared the Freedom Charter, a document developed by diverse progressives from the African National Congress and its allies in 1955 to outline the vision of the new country beyond apartheid. The Freedom Charter gathering on its own was an act of courage as was the boldness of the vision behind its provisions. It embraced the notion of democracy being about the government of the people by the people for the people.

It is worth noting that in a true democracy, the power must lie with the people. *Demos* is a Greek word that means people and *cratos*, in the same language means power. Democracy, accordingly, should translate to people’s power exercised

collectively directly or through people’s representatives equally chosen by the people. Equally important and often forgotten is that, “for the people” means fruits of democracy must be enjoyed by all. Ultimately democracy should expand the frontiers of human freedom. It should give everyone optimum conditions to be the best they could be and in return, to serve the group and humanity at large, the best way they can.

## **BRIDGING THE GAP BETWEEN THE DREAM AND REALITY**

Kwame Nkrumah spelt out the ideal manner in which the fruits of freedom from colonialism and democracy should be enjoyed by all, in a 1957 broadcast, where he said:

“We shall measure our progress by the improvement in the health of our people; by the number of children in school, and by the quality of their education; by the availability of water and electricity in our towns and villages, and by the happiness which our people take in being able to manage their own affairs. The welfare of our people is our chief pride, and it is by this that my Government will ask to be judged.”

Broadcast to the Nation. 24 December 1957

He later added that:

“We have the blessing of the wealth of our vast resources, the power of our talents and the potentialities of our people. Let us grasp now the opportunities before us and meet the challenge to our survival.”

This promise is similar to the one in the preamble to the South African Constitution which seeks to build a united nation where everyone’s potential is freed and life improved.

There is clearly a gap between reality and the Constitutional promise. Can we legitimately blame apartheid as many politicians do and particularly did at the height of the White Monopoly Capital Campaign?

Elsewhere I have admitted that the past continues to influence the present. The accumulated socio-economic advantages for white people and accumulated socio-economic disadvantages for black people, women and other disadvantaged people undoubtedly remain with us.

## **GETTING A SOCIETAL BUY IN REGARDING COMPENSATORY MEASURES**

The Truth and Reconciliation Commission did great work in healing key wounds inflicted by apartheid brutality. But in my considered view that reconciliation project was abandoned too soon.

Part of racial polarisation today is reflected in white anger and despair over affirmative action and Black Economic Empowerment. Apart from the fact that both are often cover-ups for nepotism, cronyism and plain corruption, many, particularly from historically advantaged communities, do not appreciate the rationale behind some of the remedial measures that seek to redress systemic historical disparities, on the grounds of race, gender and disability.

A friend of mine demonstrates accumulated socio-economic inequality to young people by using a race between two groups. One group wearing one colour is forbidden from starting while another group wearing a different colour is allowed to run as far and fast as they can and is assisted and supported by the managers. At some point both groups are told to stop where they are and it is announced that they are now equal and everyone can now run as fast as they can to the finishing line, regardless of where they





started from. I have used this example effectively to help economically privileged groups to understand the cry behind the #FeesMustFall protest and the anger it generated among students.

Maladministration, including the wastage regularly identified by the Auditor General and the Public Protector, is also a factor behind failure to significantly reduce poverty and inequality. Without maladministration and corruption, there would be money for basic minimum education infrastructure in all schools and other constitutional promises. For every public Rand dishonestly and unlawfully siphoned into private pockets, as alleged for example in state capture, there is less available for the inclusive development agenda that improves the quality of life for all and unleashes the potential inherent in all our citizens.

We should be particularly concerned about the apparent weakening of the rule of law. While our courts, as led by the Constitutional Court, have done a sterling job in upholding their role as ultimate guardians of the Constitution, the same cannot be said about the appetite of law enforcement agencies such as the Hawks, Asset Forfeiture Unit (AFU) and the NPA, to bring alleged corruption culprits to book. A

particularly shocking example is the time it is taking to limit potential state capture damage, including possible permanent loss of stolen state funds and erosion of evidence trails, despite a report of the Public Protector released almost a year ago and numerous media exposés, particularly under what has been termed “Gupta Leaks”.<sup>1</sup>

### WHAT ARE WE TO DO?

The long-term view requires a review of policies to assess the extent to which they have the capacity to reduce poverty and inequality.

Reducing inequality and poverty will require helping the marginalised to earn incomes and reducing wealth and income inequality between groups. For income to be generated, there must be growth. But I do not believe either must come first. They should happen concurrently. A reinforcing process will be the pursuit of equality between nations, including arresting illicit capital outflows and reviewing trade deals that disadvantaged the country. In this regard, careful examination of BRICS import-export deals, is important to ensure the country does not become a footstool of its partners.

I’m sure we can all agree that this can’t be government’s sole

responsibility. Is it not high time that we all joined hands to craft and execute an M-Plan like the post-world war II one, to advance socio-economic inclusion in a systematic way? Such a plan would supplement, and elaborate on, the National Development Plan (NDP).

Women who gathered this year under the themes, Women Leading the Healing of the Division of the Past and Women Leading Socio-Economic Inclusion on August 9th and 26th respectively said yes to this idea. The two meetings produced a draft road map.

The process sought to leverage social capital in civil society, including business, to voluntarily reduce inequalities and poverty. It pointed out that we need to arrest corruption urgently. The starting point in this regard should be to claw back the money from state capture allegations where there is clear evidence that public funds have been dishonestly siphoned for personal enrichment or gain. Civil society, particularly academia, also needs to help boost the capacity of the state to design and implement impactable policies regarding inequality and poverty. This includes systematic implementation of Sustainable Development Goals.

It is my sincere view that the call to confront inequality is one of the most critical calls at this stage of our hard-earned constitutional democracy. I further believe that confronting and reducing inequality is everyone’s business while good governance, including ending corruption and strengthening accountability and the rule of law, is a must. I am convinced that if we don’t act urgently, the next challenge we will face will be worse than the toxic “dead cat” which sought to deflect attention from state capture. [NA](#)

#### EDITOR’S NOTE

<sup>1</sup> Since Advocate Madonsela wrote her input to the Confronting Inequality conference action has been seen by the Asset Forfeiture Unit, for example, and there has been progress in establishing an official inquiry into state capture.