

# Confronting Inequality

*The South African Crisis*

David Francis  
Pali Lehohla  
Murray Leibbrandt  
Thuli Madonsela  
Neva Seidman Makgetla  
Kaylan Massie  
Andrew McGregor  
Zunaid Moola  
Kgalema Motlanthe  
Ben Turok  
Ivan Turok  
Rocco Zizzamia  
Simone Schotte

Edited by Michael Nassen Smith

*Confronting Inequality: The South African Crisis* is an important event in inequality studies in South Africa. It brings together a rich body of critical, policy and scholarly research on inequality. Until recently South African researchers focused on the crucial field of poverty studies, neglecting the widely accepted view that South Africa is not only one of the most unequal societies in the world, but inequality has deepened in post-apartheid South Africa.

The book begins with a South African puzzle succinctly put by veteran activist and engaged scholar Ben Turok: “What is puzzling is why the achievement of democracy ... (in South Africa) ... has not led to the visible removal of the most obvious inequalities in our society. In Europe, pressures from within the working class brought major social adjustments in capitalist countries. Why not in South Africa” (page 6).

The answer, Neva Makgetla suggests in a reference in the preface to her comprehensive chapter, lies in the historical foundations of inequality whose fundamental inequities have been retained in a democratic South Africa. “This inequality,” she writes, “persists due to deeply concentrated

# Confronting Inequality: The South African Crisis

*Michael Nassen Smith (Editor)*

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## *Review by Edward Webster*

economic power that is reinforced by inequities in education, residence infrastructure and work organizations” (page xv).

These themes are explored in a number of chapters. Francis and Massie demonstrate that wage inequality has deepened in South Africa over the past 20 years. Drawing on international experience and the current intentions behind Section 27 of the Employment Equity Act, they propose a cap on excessive executive remuneration and a mandated disclosure of pay ratios between the CEO and the lowest paid (pages 57-63). Lehohla and Moola draw our attention to socio-economic inequalities, including South Africa’s two-tiered health system where almost 50 percent of Total Health Expenditure (THE) is spent on 16 percent of the population covered by medical schemes, while the other 50 percent is spent on 84 percent of the population in the public sector (page 118).

Ivan Turok effectively demonstrates how South Africans are growing up literally in “different worlds,” with profoundly unequal access to social and physical infrastructure and opportunities. What is of particular significance is the new marginalised places, including land occupations, invasions of derelict inner city buildings, and dwellings (usually shacks) erected in

other people’s backyards (pages 143-145).

The most persuasive explanation for why inequality persists lies in the short chapter by Leibbrandt, Schotte and Zizzamia who show how inequality is being inherited between generations in South Africa, with an exceptionally high persistence at the bottom of the earnings distribution. The bottom three classes – the chronic poor, the transient poor and the vulnerable poor – consist of 78 percent of the population and are able to move temporarily out of poverty but have “low probabilities of moving away from poverty permanently” (pages 154-155). The authors describe this temporary nature of social mobility as “precarious mobility” (page 155). Echoing Francis and Massie, the authors stress the importance of formal employment with a permanent work contract and union coverage “... as a characteristic of middle class and elite households” (page 150).

Three issues require further development; firstly, inequality is never defined and is assumed to refer to economic inequality, i.e. income and assets. Goran Therborn in his celebrated book, *The Killing fields of inequality*, distinguishes between three quite different kinds of inequality. The first is inequality of health and death, what might be called vital inequality. The second is existential inequality, which

hits the individual as a person through, for example, racism or sexism. The third is material or resource inequality, which means that human actors have very different resources to draw upon. The authors in this volume need to broaden their understanding of inequality as, according to Therborn, “inequality is a violation of human dignity: it is a denial of the possibility for everybody’s human capabilities to be realised” (page 1).

The second issue is economic growth. The assumption underlying the proposals made in the volume is that economic growth is measured through the gross domestic product (GDP). In the context of the twin challenge of climate change and ecological collapse these assumptions need to be revisited.

The third issue is to do with class. It is assumed that classes are simply economic categories but social inequality is not only determined by the distribution of economic goods and money but also by the distribution of other forms of capital, what could be called cultural capital.

An engagement with these three issues is necessary if inequality studies are to develop a more holistic research agenda and if activists, movements and policy-makers are to successfully confront inequality in South Africa.

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## CORRECTION

In *New Agenda* no 73, in an article by Mark Swilling entitled “Gloom the theme of Davos”, an error was introduced in his reference to the UBS. The error was not of the author’s making and *New Agenda* extends its sincere apologies to him.

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