



The politics of poverty

David Everatt

Introduction

In the 1998 parliamentary debate on reconciliation and nation-building, then deputy president Thabo Mbeki famously argued that South Africa comprised two 'nations' divided by poverty:

One of these nations is white, relatively prosperous, regardless of gender or geographic dispersal. It has ready access to a developed economic, physical, educational, communication and other infrastructure ... The second and larger nation of South Africa is black and poor, with the worst affected being women in the rural areas, the black rural population in general and the disabled. This nation lives under conditions of a grossly underdeveloped economic, physical, educational, communication and other infrastructure. It has virtually no possibility to exercise what in reality amounts to a theoretical right to equal opportunity.²

Eradicating poverty was fundamental to transformation, Mbeki argued. To a chorus of unhappiness from opposition parties, he reached a bleakly pessimistic conclusion: '[W]e are not one nation, but two nations. And neither are we becoming one nation'.³

The issue re-emerged in 2003, when the South African Human Rights Commission released a report critical of government's performance regarding socio-economic rights, following the publication of a number of studies which concluded that poverty levels in South Africa had remained constant or worsened since the advent of democracy. Opposition parties took up the refrain: 'Life is no better now than in 1994'. The African National Congress (ANC) responded furiously, reminding its critics of the

massive political changes in the country and the restoration of dignity to black South Africans, as well as of government's not inconsiderable achievements in providing infrastructure⁴ – all of which are key elements in contemporary definitions of poverty, if conveniently forgotten by critics attempting to score political points rather than make substantive ones.

Politicking aside, the exchange between the ANC and opposition parties in 2003 was notable in the way it skirted inequality and redistribution. Thabo Mbeki's 'two nations' speech had been similarly silent on inequality while loud on poverty. Both poverty and inequality are South African hallmarks, but this essay argues that inequality poses the most serious threat to the democratic project. Government is caught in the unenviable position of balancing the needs of market stability (in a world dominated by free market economics) and appeasing domestic and international capital with trying to undo the damage of 400 years of colonialism.

While government, opposition and business may all be wary of issues relating to inequality and redistribution, why did Mbeki's seemingly self-evident assertion that blacks are overwhelmingly poor and whites overwhelmingly wealthy generate angry debate? Moreover, how is it that 'the distribution of income appears to have become more unequal between 1991 and 1996'⁵ and both poverty and inequality seem to have worsened under an ANC government? This essay suggests some possible answers. It begins by reviewing the status of poverty and inequality in South Africa before turning to the political contestation over how to lessen both. While

On the one hand we are offered the notion of a miracle, the triumph of common sense over prejudice

On the one hand we are offered the notion of a miracle, the triumph of common sense over prejudice

the political debates are heated and intense, this essay argues that they are (at least partly) fuelled by a more prosaic consideration, namely the fact that 'poverty' has many meanings within government and the progressive movement more broadly, as it does among academics and commentators. The impact of definitional imprecision has been and remains considerable, affecting development programmes while fuelling ill-tempered, if ultimately rather hollow, debate.

What do the numbers tell us?

Thabo Mbeki's 'two nations' speech generated controversy in and beyond Parliament as critics and supporters clashed over whether or not he was 'raking up the past' or 'playing the race card'. Although political opponents and some commentators have sought to disregard the 'two nations' thesis as 'racial rhetoric',⁶ factually, Mbeki was (and remains) quite right: poverty is a defining characteristic of South Africa, and has clear racial, gender and spatial dimensions. Across the myriad definitions used to measure poverty, there is one common finding: 'the majority of black South Africans exist below any acceptable minimum poverty line'.⁷

In South Africa, one in ten Africans are malnourished. One in four African children are stunted. Just less than half the population (45 per cent) lives on less than US\$2 a day.⁸ Lines dividing the poor from the non-poor give different results depending on where they are drawn, but most suggest that 45–55 per cent of all South Africans live in conditions of poverty – some 18–24 million people.⁹

**On the one hand
we are offered the
notion of a miracle,
the triumph of
common sense
over prejudice**

In October 1999, there were an estimated 26.3 million people in South Africa who were aged between 15 and 65 – the cohort considered to be potentially economically active in any given population. Applying the expanded definition of unemployment,¹⁰

South Africa's *rate* of unemployment was 36 per cent. This was far higher for African females (52 per cent) than any other group. Comparing employment data from 1996 and 1999, the rate of unemployment increased from 34 per cent to 36 per cent.

Furthermore, while the actual number of people employed during this time grew from 9.1 million to 10.0 million (an increase of 14 per cent), the number of unemployed people also grew – by 26 per cent, from 4.7 million to 5.9 million. In 1999, 22 per cent of households reported that members were going hungry due to lack of money to buy food. Measured by household income, 83 per cent of households in the bottom fifth have no people in employment. Looked at from another angle, 38 per cent of African households in 1999 contained no employed people – up from 32 per cent in 1996.¹¹

Poverty has a spatial dimension: just less than half of the South African population lives in rural areas, as does 72 per cent of South Africa's poor. Poverty is also gendered: the poverty rate among female-headed households (60 per cent) is double that of male-headed households.¹² As Mbeki noted, poverty has a stark racial dimension: 61 per cent of Africans were poor in 1996 compared with just 1 per cent of whites.¹³

Social transfers are hugely inadequate: some 60 per cent of the poor, or 11 million people, are without any social security transfers. Uptake of existing measures is also poor, dropping from 85 per cent for the state old age pension to just 20 per cent for the child support grant; average uptake across all social grants stands at 43 per cent. A 2002 enquiry noted that the existing social security system 'has the capacity to close 36.6 per cent of the poverty gap' if all benefits were distributed to those entitled to them.¹⁴ But even with full uptake, still there would be some 5 million people living in poor households but ineligible for existing benefits.¹⁵

Current data suggest that at least 15 per cent of all households suffer from chronic as opposed to transitory poverty: that is, they remain in poverty when measured over time (five years, in this instance).¹⁶ Poverty also attacks the most vulnerable: researchers noted in 2000 that 'no matter what indicator we choose, child poverty is extensive and its extent and nature varies across the provinces'.¹⁷ Little seems to have improved from the preceding decade. A 1997 report found that a third of children aged below five lived in the poorest households.¹⁸ Some 60 per cent of South African children live in the poorest 40 per cent of households (measured by income); three-quarters of all children living in

poverty can be found in rural areas; and 97 per cent of them are African.¹⁹ Worryingly, 'all the indicators of child poverty, with the exception of health indicators, suggest that child poverty is on the increase in South Africa'.²⁰

Thabo Mbeki's 'two nations' speech was notably silent on inequality; odd, given that South Africa is among the most unequal societies on earth. Inequalities in income distribution saw the Gini coefficient continue to rise in the 1990s²¹ despite the ANC's avowed commitment to redistribution. In 1991, 9 per cent of the richest income decile was African, rising to 22 per cent in 1996; the poorest remain obdurately and overwhelmingly black.²² Inequality has been 'changing from being race to class based'²³ as a rich black elite has emerged and whites have become proportionately less wealthy. Put another way, only a small proportion of black South Africans is benefiting significantly from the post-apartheid economic dispensation. It seems apparent that reliance on market forces to achieve anything other than gradualist elite redistribution is misplaced.

Poverty can be measured in many (often confusing) ways, and research in South Africa is patchy and uneven. Government has no central planning or monitoring agency, and relies on survey data from Statistics South Africa²⁴ and *ad hoc* research projects to measure the impact of development programmes on poverty.²⁵ Nonetheless, it is clear that South Africa has appalling levels of poverty and inequality, which worsened during the 1990s if measured in aggregate economic terms. But such observations must be balanced against the massive advances that have been made, most obviously in securing human rights and political freedoms that are critical in allowing the poor (and others) to have a 'voice' in society. The same is true of infrastructure delivery by the ANC-led government, which has been considerable, and which remains in line with the basic needs approach of the ANC's 1994 election manifesto, the Reconstruction and Development Programme (RDP). However government is on far shakier ground regarding redistribution and inequality; its concerns about short-term market stability may be short-sighted if redistributive policies do not rapidly give the poor a return on the peace dividend.

Poverty in South Africa has racial, gender and spatial dimensions, a direct result of the policies of the successive colonial, segregationist and apartheid regimes. Poverty is not a historical phenomenon, part of a past now behind us. Until less than a decade ago, full educational and employment opportunities were denied to black South Africans, who lived in areas zoned by race, and marked by limited and poor quality infrastructure, and, in rural areas, unproductive land. Those most affected by poverty today are black, live in rural areas and are more likely to be women or children. These should not be controversial statements; there is evidence not merely in statistical reports, but visible in all the cities, towns, villages and rural areas of South Africa.

Poverty and inequality are the illegitimate twins inherited by democratic South Africa. Both cut to the core of ideological differences within the tripartite alliance,²⁶ which are frequently more bitterly fought over than the differences between the various political parties in Parliament. Poverty is inseparable from politics in South Africa, whether looking at origins and causes, its current form, or solutions.

On the one hand we are offered the notion of a miracle, the triumph of common sense over prejudice

Poverty and politics

The anti-apartheid struggle focused on two key areas: extending rights to black South Africans and alleviating the poverty forced onto them by segregation and apartheid. These intertwined themes were prominent in the RDP: an election victory is only a first step. No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government.²⁷

In the early 1990s, Nelson Mandela spearheaded a charm offensive that succeeded in winning broad-based domestic support for poverty eradication as set out in the RDP. This was made possible after his 1991 public re-affirmation of the ANC's commitment to nationalisation (as reflected in the Freedom Charter) had been dropped by 1993 in favour of a 'mixed economy' that lay somewhere between a 'commandist central planning system' and an