

THE STATE OF THE DISCUSSION OF POVERTY AND INEQUALITY IN SOUTH AFRICA

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Introduction and Rationale

The purpose of this talk is to address conceptual issues around poverty and inequality which have arisen in the development of South Africa's *recovery* agenda. The complexity of poverty and inequality in South Africa and the multiple factors behind it, across a range of structural and psychosocial dimensions of the social experience, require that we develop explanations which account for its durability and persistence. These explanations have to make clear, firstly, the multiple facets and interrelationships of poverty and inequality, and, secondly, how, in their reach into the everyday experience of South Africans, they work. Making clearer what these conditions are requires that we build on current explanations and work towards a specific *South African* accounting of what poverty and inequality are. Are there elements of a South African explanation of poverty and inequality that are distinctive and different from an explanation of poverty and inequality in other contexts and countries? I am suggesting here that the distinctiveness of this current presentation could proceed from a stronger awareness of the structural and psychological features of poverty and inequality. Economic factors have been decisive in the production of the divides between the rich and the poor. They have, however, depended on and been accompanied by powerful ideological processes which the historian Keith Breckenridge (2014) in his work *The Biometric State* has described eloquently. These processes include racial classification and racial ordering – the management of bodies and their deployment in the interests of the colonial and apartheid projects. But there is more, as we will argue.

The talk is structured in three major parts. It begins with a review of the dominant approaches to poverty and inequality in the global discussion. A second part examines the ways in which this discussion has unfolded in South Africa, and a final part uses these two points of provenance, the global and the local, to begin a framing for poverty and inequality which is deliberately intersectional.

Developing an Approach to Poverty and Inequality

Poverty and inequality are not the same, of course. The distinction should be simple: poverty is when people don't have very much and inequality is when some people have more than others. However, extreme inequality across a society is usually reflected in deep poverty versus extreme wealth within combinations that would in my view justify the discussion of both concepts together. As we all know, this applies to the South African context.

Poverty and inequality are in this period of globalisation characterised by familiar constants. The first constant is the ubiquity of the modern global financial system in which poverty and inequality are set. Since the end of World War II, no part of the world which is economically independent, isolated and self-contained. This bears on a second constant – the form that the global economy has taken in the last thirty years. It is characterised almost everywhere by the retreat of certain parts of the modern state and the rise of the market as the primary mechanism for the distribution of goods and services. Broadly described as neo-liberalism, the world's economies have virtually all aligned themselves with the broad tenets of this market 'common-sense'. With these developments the world has seen a decline in absolute poverty but, simultaneously, a rise in economic inequality. South Africa has been no exception to this as Leibbrandt, Woolard, Finn & Argent show).

Invoking these global features of modern economic development for explaining how poverty and inequality work in South Africa is not sufficient. There are distinctive factors and dynamics surrounding the forms of poverty and inequality that have historically developed and continue to manifest themselves that make the South African situation unique. While the various plans that the country has developed allude to this distinctiveness, it is argued here that there is need for explanation which makes clear, firstly, the nature and character of South African poverty and inequality, secondly the causal and constitutive elements behind them, and thirdly, why they are so durable as social phenomena.

The Economy as the Primary Force

It is the recent work of Thomas Piketty (2014) that has brought renewed attention to the debate on poverty and inequality. On the basis of data spanning the economic archive (tax and income records) of much of the last three centuries from more than twenty countries, Piketty arrived at a critical conclusion for explaining inequality. He distilled the explanation into one simple formula; $r > g$. This formula represents the relationship between the average annual rate of return on capital investment expressed in percentage terms (r) and the rate of growth of the economy (g). Piketty explains that “around the world, the largest fortunes (including inherited ones) have grown at very high rates (on the order of 6-7 percent a year) – significantly higher than the average growth rate of wealth” (Piketty, 2014:431). He found that the average wealth of the richest 0,00002% of the adult population of the world –that is 225 individuals¹– increased from just over \$1.5 billion in 1987 to nearly \$15 billion in 2013, having grown annually at an average rate of 6.4% above inflation. Average annual global wealth per capita over this same period grew by 2.1 percent (Piketty, 2014: 434-435). A point he makes is that these increases in wealth could be represented by those who have inherited their wealth. Critics refer to vast fortunes having been made recently through innovation (Bill Gates, etc.) and that high global growth rates over the last few decades suggest that new fortunes in the emerging economies of the world are making an important contribution to these developments. This system generates extreme effects and unless there is intervention – such as effective increased taxation of the super-rich² – inequality will simply compound.

The effect of Piketty’s work, Wilkinson and Pickett (2009) in *The Spirit Level* emphasize the centrality of the concept of income inequality. Income inequality can be certainly related to a whole host of problems. *The Spirit Level* asserts that health and social problems are worse in more unequal countries and lists these: life expectancy, maths and literacy attainment, infant mortality, homicides, imprisonment, teenage births, trust, obesity, mental problems (including drug and alcohol addiction) and social mobility

Critiques of Economic Determinism

There appears to be agreement about the gravity and materiality of the economic in analyses about inequality. An important qualification, however, has been made by scholars writing from a range of disciplines, including those from the outer fields of critical race theory and gender. In her review of Piketty’s *Capital* Zillah Eisenstein (2014) says

¹ 225 people out of 4.5 billion in the early 2010s; current population is now estimated at 7.4 billion.

² Mbewe, Woolard and Davis ((2019) discuss the complexities of taxing the most wealthy.

when formulating class inequality one should have race and gender in view as well. Capital is intersectional. It always intersects with the bodies that produce the labor. Therefore, the accumulation of wealth is embedded in the racialized and engendered structures that enhance it. Thomas Piketty's *Capital in the Twenty-First Century* reads as though labor has no actual body – no home that creates it. It remains abstract and therefore colorless as in white, and sexless as in male. (Eisenstein, 2014: 1)

It is time for a more inclusive understanding of the economy, of capital, of profit, of inequality. Without it there cannot be justice for humanity in its entirety – with people of all colors and genders and sexes. The problem of inequality is structured by both racist divisions of labor and culture, *and* (her emphasis) patriarchal constructs of violence and exploitation.

This vein of thinking has been taken up by sociologist Goran Therborn (2006 and 2013).

Therborn's (2013) approach begins with the argument that inequality is not simply indexed by wealth. It arises in a range of contexts – *killing fields* – and takes three distinct forms, vital inequality (life expectancy, mortality rates), existential inequality (personhood, rights and dignity) and resource inequality (the inability of human beings to realise their capabilities). He argues that they need to be seen in their cumulative form as compounding mechanisms: “the exclusion mechanism becomes relevant and important to the extent that the excluding barriers or hindering obstacles are put up by those who are in some senses ahead of and more advantaged than others” (Therborn, 2006: 13). Therborn unpacks what the mechanisms are and describes four, namely,

- *Distantiation* which is responsible for the original distance between people. It includes ‘social psychological mechanisms of self-confidence, ambition’ (Therborn, 2006:12).
- *Exploitation* involves categorical divisions between people who are structurally in inferior and superior positions which allow the latter to extract values from the former.
- *Exclusion* is the barring of access to or the withholding of opportunity of some perceived to be as out-groups.
- *Hierarchization* is the formal system, shaped by belief, value or some other forms of ideology which formally secures the ranking of people in society into high and low positions.

The value of Therborn's four mechanisms is the identification of the different levels at which social factors work structurally and psychologically. He makes a point of drawing out the significance of the latter which he also describes as *existential inequality*. He acknowledges that existential inequality involves a lack of recognition and respect. It is worth quoting him at length about the dangers surrounding this:

There is little of any quantitative benchmark here, but whenever there is humiliation, there is existential inequality.

When existential inequality is no longer backed up by strong norms of difference and by stark resource inequality, the reaction tends to be explosive. A great deal of contemporary youth violence in the rich countries seems to arise out of perceptions of non-respect. Existential humiliation is not to be played with. (Therborn, 2006:8)

The approach Therborn takes has direct relevance for the South African discussion, particularly against the multiple forms of difference that arise and that are sites of distantiation, exploitation, exclusion and hierarchization. It makes possible an analysis which invokes the critical and formative factors of

racism and to show how central racism, through the strategies of racial classification and racial exploitation, is for producing the conditions of poverty and inequality. It also creates the conceptual space for factors such as gender, such as the situation in which women who are classified as African find themselves.

In the company of scholars such as Therborn, it is the feminist community that has perhaps taken the challenge of conceptually unpacking the complexity of poverty and inequality furthest (see inter alia Crenshaw, 1994; Collins, 1998; Verloo, 2006; Winker & Degele, 2011; Kabeer, 2014; Stewart, 2014 and Bassel, 2014). As Verloo, 2006 and Winker & Degele (2011) argue power or the lack of it — which are manifested in states of wealth and wellbeing or poverty and hardship— is the result of the conjunction of a multiplicity of factors which are never autonomous, self-determined or self-sufficient. In their interdependence these factors dynamically strengthen, weaken and influence each other.

This relationship is sometimes described as *structural intersectionality*, which according to Verloo (2006:213), arises when intersections are directly relevant to the experiences of actual people. It explains, for example, “why a black woman is not considered for one job because she is black since the ‘norm employee’ is a white woman, while other jobs are also unavailable to her (because of both race and class factors)...” (ibid).

Poverty and Inequality from an Intersectional Perspective in South Africa

Against this background, where is the South African discussion of poverty and inequality and what are its major features?

A great deal of analytic work on poverty and inequality has come out of the South African research community. This work goes back to the First Carnegie Commission which reported in 1932 and is continued with intensity into the present. This work has been extremely influential and has grown in methodological complexity and analytic sophistication. Methodologically it has in recent times benefitted from both longitudinal and quantitative surveys and micro-qualitative studies of households and other smaller social units of analysis. Of the recent surveys the National Income Dynamics Study (NIDS) has been most important. NIDS is the first national panel study to study the changing ‘face of poverty’ in South Africa. It has tracked over 28,000 individuals in over 7,000 households over three waves since 2008 (see <http://www.nids.uct.ac.za> and also see De Villiers et al, 2013). NIDS has highlighted the factors and social determinants driving South Africans into and out of poverty.

This work has been brought together well by Leibbrandt, Woolard, Finn and Argent (2010) in a briefing paper they developed for the OECD, and in a summary of the state of the discussion by Wilson and Cornell (2012: 1). As Wilson and Cornell (ibid) say, the figures make four points clear about contemporary South Africa:

1. Poverty is widespread and severe. In 2008 over half the population lived below the poverty datum line of R515 per capita per annum.
2. Poverty levels fell marginally between 1993 and 2008 from 55% to 54% of the population.
3. The Gini co-efficient for the country was 0.70, the highest in the world and,
4. Inequality appeared to be on the increase after 1994, due largely to widening inequality within previously disadvantaged groups.

Each of the conclusions is important. Taken together, however, they emphasize the relevance of the discussion about the complexity of poverty and inequality. Democracy has clearly brought improvement to the country. Poverty has abated somewhat. Inequality has deepened. In this regard Wilson and Cornell (2012) refer to Braam Hanekom's identification of the four structural pillars involved in the production of this situation, namely

- Structural causes
- Education
- Psychological reasons and
- The moral fabric and values of our society.

The importance of Wilson and Cornell's review is that it locates the economy in a network of gendered, spatialised and racialised relations. Quoting Ivan Turok, they say that 'space is not only an outcome of the economy, it shapes the economy...' (Wilson & Cornell, 2012:5). The causes of inequality, they argue, are 'complex, interactive and have deep and dynamic roots.... Poor South Africans are still typically female, African and rural. Female-headed households are commonly understood to be vulnerable to external shocks given the unequal position of women in society, ...' (Wilson & Cornell, 2012: 7 and 4).

The awareness in the South African discussion of the multifactorial nature of poverty and inequality is also part of the approach of the Mandela Initiative (MI), a major national movement aimed at bringing the political, economic, scholarly and civil society communities together around a process aimed at reducing poverty and inequality in South Africa³. Evident in the MI is an understanding of the connectedness and interdependence of the economic, social, cultural and the psychological.

Important as this awareness is, issues remain at two levels. The first problem, one which continues to bedevil description, analysis and action, is the basic characterisation of the sociological nature of South Africa. Is its primary social dynamic that of race or class? This question has a lineage which reaches deep into South African sociological analysis and was addressed in the work of Adam (1971) and brought to its most sophisticated level, theoretically, in the work of Alexander (No Sizwe, 1979) and Wolpe (1988). It has in recent times been taken up again in the work of Seekings (Seekings & Nattrass, 2006 and Seekings, 2008). Seekings' (2008: 20) work goes a long way to demonstrating empirically how this may be approached. He shows, using the work of Bhorat, Moll and Leibbrandt, that it is possible to account for economic effects *and* race effects. He refers to Moll's analysis of wage differentials in the country conducted in 2000, which showed that racial discrimination accounted for 20% of the African mean wage in 1980 but just 12% in 1993. This is useful, first, in the sense that racial discrimination or racism could be identified in inequality producing regimes. More significantly, it shows that 'race' as an effect could be measured. What Moll and Seekings following him have been able to do is to isolate empirically the different kinds of social factors that are at play in actual situations and their relative weights. This moves the discussion in South Africa about poverty and inequality significantly ahead. One begins to see not only the joined-up nature of inequality but also a sense of the relative contributions of the factors behind it. Understanding the poverty and inequality dynamics in South Africa in these terms is crucial for developing much clearer policy responses.

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www.uct.ac.za/sites/default/files/image_tool/Images/2/NelsonMandelaFoundationThomasPikettyDialogue.Invitation.pdf).

The Intersectional Reality

Is this enough? It is important to acknowledge how far in sophistication the South African discussion has come and how it can contribute methodologically to the intersectionality discussion. The pertinent point to which the work of scholars such as Seekings brings us is that we are able to not just recognize factors beyond the economic but to see *how* extra-economic factors work *in relation* to the economic.

But a few questions arise. These have to do with concretising and giving empirical content to issues such as Therborn's *distantiating* index and what Eisenstein and Winkler and Degele refer to as the *normative* order in which people enact their agency. Therborn (2006:13) commented above about the absence of quantitative benchmarks for some of these dimensions of inequality producing regimes. It is not, however, simply the absence of the quantitative benchmark.

What this *more* is has to do with how one understands the distantiating process. How, in their actual content and effects, do processes which produce distantiating such as sexism and racism work?

Towards developing an answer to this question, it is important to the advance in the work produced by scholars such as Seekings. With respect to 'race' Seekings helps us to locate one dimension of its effects – their structural outcomes. Using regression analysis he shows how it is possible to distinguish between different kinds of effects when individuals experience discrimination. Class effects stand out from race effects. This is a structural analysis. In terms of Therborn's mechanisms described above, it falls most clearly into the category of the mechanism of *exclusion*.

But how structures land and are acted upon by the social agents themselves is another matter. We don't see how people who are identified as victims, people of colour, black people, women, and others work with, manage and engage the conditions in which they find themselves. This is Therborn's mechanism of *distantiating*. If one works with the fullness of intersectionality and the idea that people are not simply subjects of their economic environments, and if one begins to accord to the psychological and ideological a certain level of independence, how does one begin to explain racial effects as not simply things which happen to people but which people are required to respond to too? How do they act? When they invoke, as is currently happening around the student protests, the experience of *black pain*, what categories of analysis do we use to make sense of this phenomenon? How do we respond to this evocation of a sense of having been positioned, located, and been *fixed* in life? How do we show how structural forces in society not only produce social outcomes but also outcomes that have psychological and cognitive effects? How are structural realities interiorised and become a distinct and almost self-functioning domain of operation in people's lives? How do we respond to the caution of Steve Biko (2004: 30)?

One should not waste time here dealing with manifestations of material want of the black people. A vast literature has been written on this problem. Possibly a little should be said about spiritual poverty. What makes the black man fail to tick? Is he convinced of his own accord of his inabilities? Or is he simply a defeated person?... To a large extent the evil-doers have succeeded in producing at the output end of their machine a kind of black man who is man only in form.

It is here that the discussion in South Africa, and globally, awaits further engagement. We can begin to say that we are able to locate some of the material and physical dimensions of the pain of poverty and inequality that is being expressed in South Africa. But with our current understandings of the situation we would have some challenges in how we would take the discussion further. These

challenges present themselves most clearly in the languages, modes of description and analyses that we have at our disposal. We need to understand how material effects, the economy, and the ideological in its full psychological effects, impair eventualities and specifically the ways in which self-doubt debilitates decision-making, produces risk-aversion and incapacity. However, and this takes us beyond Biko, we must understand the ways it also stimulates agency, the decision to psychically and cognitively engage with the complexity of the forces of subordination.

The point we emphasize here is that distantiating is a complex arena of subordination and agency. Subordination is clearly the watchword in locating and describing the character and effects of poverty and inequality. It reveals the full weight of the unacceptability of what poverty and inequality produce and stand for. But it is important to move beyond the structural into the realm of how human subjects experience, live and make decisions about their lives. If the effect of the structural, and particularly the racialised economy, is to incapacitate South Africans in their bodies and in their minds, then it is important that this complexity is confronted clearly. Black South Africans have borne the brunt of complex processes of subordination over hundreds of years. How these effects are perpetuated and reproduced, lived and responded to have to be central to any analysis that seeks to understand why the questions of poverty and inequality are so hard to overcome. Critically, however, how this pain is and is not worked with, is an important part of the puzzle of the reproduction and persistence of poverty and inequality. If structural changes are to be effected in the South African environment, if people are to be provided with decent housing, decent jobs and good education, is there anything else, anything more that has to be done? Is reparation at the material level sufficient? Will changing people's material circumstances lead to changes in their social-psychological approaches to life?

Conclusion

In closing it is important to say that the current conjuncture in South Africa, and particularly the student uprising of 2015 and 2016, has forced greater attention on the question of race. This is necessary. But if we are to take a deeper analytic excursion into the intersectional nature of poverty and inequality in South Africa then it is vital also that all the other debilitating distantiating mechanisms that operate in South Africa, not least of all the multi-faceted gendered order, are brought into clear focus. As a space in which the realities of one's biological sex, one's socially constructed gender identity and sexuality preferences come together to produce position, hierarchy and a sense of inclusion and exclusion, it is crucial. Race may be the country's urgent issue now. We have barely, however, scratched the surface of the complexity of gender and the deep ways that its structural and psychic elements not just position South Africans but also interpolate them and condition and animate their subordination and agency. How it comes to entrench the conditions which perpetuate poverty and inequality but also produces opportunities for people to take control of their lives, signals the urgency of new and important work which has to be done.

Using the empirical work of scholars such as Seekings and the theoretical framing of Therborn we are suggesting that we have the theoretical means to begin a more complex analysis of how poverty and inequality work in South Africa. We are able to put into much clearer perspective the mechanisms that produce poverty and inequality. In Therborn's processes of distantation, exploitation, exclusion and hierarchization, it is possible to begin to develop more sophisticated explanations of how economic factors operate alongside and in conjunction with ideological ones. It becomes possible to see the

factors as they operate by themselves, and to assess their weights and proportions, and in combination.

Acknowledging the imperative to address poverty and inequality through an intersectional lens, has major implications for social science and humanities research. Such research will have to deliberately and purposefully link up with economic and political analyses. The HSRC's flagship publication *State of the Nation* has since 2014 made initial attempts in this direction. Intersectionality has become the overarching theme of the 2018 volume, which is now available. But a great deal more empirical work is required to take the analysis further, a challenge that is fully recognised by the HSRC in its strategic developments. However, the imperative of an intersectional approach also applies to the other leading research institutions and initiatives, both at universities and independent research institutions. A cooperative approach and shared mining of research evidence calls for joint research ventures, sharing the pool of scholars, expanding this pool by delivering high quality graduates and interns, and shared platforms. Lastly, such partnerships go far beyond academia. The South African state—and particularly the current leadership—recognises its responsibilities for addressing poverty and inequality in a comprehensive way. Let this become visible in partnerships around policymaking and implementation where social science and humanities research provides necessary and relevant evidence and models for policy making and implementation, that is where researchers and policy makers become partners. Finally, are we not first of all dealing with our society at large, human beings in all their rich variety? Let us then do everything to ensure that whatever contribution we make towards equality and shared wealth, provides for the complexities and varieties in this great country and its people.