

South Africa's Development Dilemma: Equality of Opportunity or Equality of Condition?

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Introduction

I feel very honoured to be speaking on the 18th anniversary of Jo Slovo's death and at this first public event of the Chris Hani Institute since Eddie Webster was appointed as director. As I understand it, Eddie's vision is to build the Institute as "an independent think tank of the left" and I've been thinking about what 'left' means. For me it involves a confidence in human beings - in our capacity to reason, to share, to learn from mistakes, to co-operate, to care for each other and - most importantly - a confidence in our capacity to work together to forge a more just and equal world. This confidence in the human capacity is the basis for a commitment to principles such as participatory democracy, social justice and equality. Without this grounding those principles can appear very abstract and remote. This confidence also implies social relationships that are marked by solidarity, meaning a commitment to collective empowerment rather than individual advancement.

It is a strong contrast to the neoliberal ethic of intense, possessive individualism. It amounts to a much more optimistic view than we often hear from people on the 'right' who may claim principles of democracy and equality but often doubt people's capacities to realise them. The 'left view' is claiming that we are not born selfish, greedy and competitive; these are qualities we learn under capitalism. The lives of Chris Hani and Joe Slovo demonstrated the opposite qualities and we have much to learn from them. As Vavi said in his tribute on the anniversary of Slovo's death earlier this month, "Joe Slovo's life taught our generation the real meaning of the main principle of our movement which is selflessness".

I want to start by emphasising two additional qualities of Joe Slovo that I learned from reading the wonderful book *Slovo. The Unfinished Autobiography* which Helena Dolny put together - the

first is his strong ethical commitment, his passion for values and moral principles, particularly with equality and justice. He contended that “there is a major convergence between the ethical content of Marxism and all that is best in the world’s religions”. It was his concern with social justice and “the wretched of the earth” that led him to socialism.

The second quality is Slovo’s commitment to intellectual engagement. Many of his writings were very contentious such as “Has Socialism failed?”, but as Pallo Jordan has written, “Joe never allowed these (disagreements) to degenerate into personal animosities and always showed himself willing to engage with his critics”. His approach, Cronin observed earlier this month at his graveside anniversary, “would be at once passionately critical and responsibly measured... they were never displays of individualism ... they were collectively self-critical – they assumed personal and collective responsibility for the organisations of which he was an active member” (Cronin, 2012).

“I hope that these two qualities – the commitment to ethical principles and to debate -can make this evening a conversation, a conversation around a very difficult question, namely,

CAN WE HAVE EQUALITY OF OPPORTUNITY WITHOUT HAVING EQUALITY OF CONDITION?

In Slovo’s spirit, to provoke debate and give us something to sharpen our ideas against, I’m going to suggest that equality of opportunity under neo-liberal capitalism is a myth. But it is a powerful myth, a ‘false promise’ – one of the two ideas that are propagated by the powerful and the privileged which help to maintain the present model of development. The other being the myth that no alternative to neo-liberal capitalism is possible. My argument is that to make equality of opportunity a substantive reality requires a massive redistribution of resources to create a degree of equality of condition.

Outrageous Levels of Inequality - A Class War

I want to start by emphasizing something which I think is shared by everyone in the room: our indignation about present levels of social inequality, what Sampie Terreblanche calls “the conspicuous consumption, the wastefulness, the greediness and the arrogance of the very rich against the misery and deprivation of so many poor people“(Terreblanche, 2012:114).

Overall in South Africa in 2010, the Directors of 20 top JSE listed companies, the overwhelming

majority of whom are still white men, each earned an average of R59 million per annum, some 1,700 times the average income of a worker. The Price Waterhouse Coopers Report (2010) on executive pay in South Africa showed that more than half of executives in large JSE-listed companies earned more than R10 million per annum. The lowest paid workers have monthly salaries of around R3500, which equals R42 000 pa. This equals a pay gap in the order of 250-300 times. At the same time, one in every four children under the age of six is showing signs of stunted growth (both physical and intellectual) due to chronic malnutrition, and of course these are the children of poor, black families. As the 2011 census revealed, inequality remains largely racialised with the average white household earning six times the income of the average black household.

As a Marxist, Slovo would have described this level of inequality as intrinsic to capitalist class relations. He would probably have agreed with David Harvey who maintains that globally there is a class war underway. Harvey cites Warren Buffet who said in an interview “sure there’s a class war and it is my class, the rich, who are making it and we are winning (Interview reported in the *New York Times* 26.11.2006). (The acknowledgement that it is the rich who are ‘making’ this war is a rejoinder to those who emphasize how working class actions, such as strikes, damage the economy.) David Harvey comments, “The only question is ‘when will the people start to wage class war back?’” (Harvey, 2012:14).

Regarding South Africa, some maintain that the spread of strike actions and service delivery protests represents an embryonic form of such a class war, or at least what Peter Alexander has called “the rebellion of the poor”. Certainly Marikana - a moment of truth which revealed much about our society - is a pointer to the depths of the multidimensional crisis we face – and increasing inequality figures in all these crises. As Jeremy Cronin said recently, “we are trying to consolidate democracy in a country characterised by high levels of desperation”. And we cannot solve any of our problems without “understanding and addressing this desperation and the often corrosive impact that radical inequality has upon politics and upon everything else in society.”

This ‘radical inequality’ is one reason why many people - not only Marxists - are arguing that the present model of development - neo-liberal capitalism - is not working.

The necessity of an alternative development path

We desperately need sustainable alternatives to the neoliberal capitalist model of development. Both the economic and ecological crises demand not only a shift in the distribution of wealth and power, but a dismantling of the current intense individualism – what the authors of *The Spirit Level* call a “kind of self-promoting, insecure egotism” (Wilkinson and Pickett, 2009:36).

In what James Ferguson would call a “denunciatory analysis”, we can point to

4 reasons why a debate on alternatives to the current development model of neo-liberal capitalism is necessary:

The present system is

1. deeply **unjust** as inequalities are deepening across and within countries around the world.
2. **unsustainable** in its reliance on fossil fuels.
3. fundamentally **immoral**; a defect of the system, “usually obscured by the near-unanimous commitment to economic growth at almost any cost” is moral. The banking crisis has shown yet again that the present system relies on motives of greed and acquisitiveness, which are morally repugnant” (Skidelsky and Skidelsky, 2012:B13)
4. and finally, it is fundamentally **unstable**

The dysfunctionality of wider social inequality

It is usually the banking system that people point to emphasize this instability but it is also increasingly recognised that wide social inequality itself is deeply dysfunctional. There is a great deal of empirical evidence that **points to a link between wide inequality and social instability**. The best selling publication, *The Spirit Level: Why Greater Equality Makes Societies Stronger* (2009) demonstrates this. The authors point to the paradox that in the developed societies of the North “at the pinnacle of human material and technical achievement, we find ourselves anxiety-ridden, prone to depression, worried about how others see us, unsure of our friendships, driven to consume and with little or no community life” (Wilkinson and Pickett,

2009:3).

They examine the negative social effects of wide inequality and argue convincingly that wide inequality is bad for a society and that more equal societies tend to do better on many measures of social health and wealth. “Economic growth, for so long the great engine of progress has, in the rich countries, largely finished its work. Not only have measures of wellbeing and happiness ceased to rise with economic growth, but, as affluent societies have grown richer there have been long-term rises in rates of physical and mental illness – particularly anxiety and depression - and numerous other social problems such as divorce rates“(Wilkinson and Pickett, 2009:6). They conclude that highly unequal modern societies are - despite their affluence - social failures.

The implication is that – quite apart from ethical considerations – we all have much to gain from reducing social inequality and creating more stable societies.

Victim blaming

So a crucial question is why have these forms of social inequality survived for so long all over the world. The answer obviously lies in the existing concentration of wealth and power in the hands of a tiny minority and in particular the way in which that minority – the 1% or what some call the 0.1% - have perpetuated a cruel and dangerous myth; **THE MYTH THAT** if you work hard you can make it. And this myth is often put forward in seductive language – for example. “If you are willing to work hard, it doesn’t matter who you are or where you come from or what you look like, or where you love. It doesn’t matter whether you’re black or white, or Hispanic or Asian, or a native American or young or old or rich or poor, able, disabled, gay or straight, you can make it in America if you’re willing to try”. You will recognise the powerful words of President Obama’s victory speech.

Obama’s affirmation of diversity, is great BUT the key assumption in his speech is that there is equality of opportunity and the implication is that if you don’t “make it”, it is because you haven’t worked hard. It is a sentiment that comes close to blaming the victim, and this sentiment is creeping into many of our state policies.

Recently Joseph Stiglitz wrote “In the US equality of opportunity has been exposed as a myth”

(*Business Day* 9.1.2013) At one time in the US a university education was a route to social mobility, but it seems that this is no longer true and a university education is now reinforcing inequality.

Education reinforces inequality

Education is not the magic bullet to achieving equality of opportunity. In fact, the 2012 national census found that you are more likely to have a job if you had no education, than if you had a matric!!! Everyone agrees about the importance of education but the quality of educational institutions is not the only relevant factor. According to *The Spirit Level* “The biggest influence on educational attainment, how well a child performs in school and later in higher education, is family background. Children do better if their parents have higher incomes and more education themselves and they do better if they come from homes where they have a place to study, where there are reference books, internet access and newspapers, and where education is valued. Parental involvement in children’s education is even more important” (Wilkinson and Pickett, 2009:105).

As Jonathan Jansen has pointed out, in South Africa “social equalities are not only mirrored in schooling, they are deepened...70% of matriculation passes is accounted for by 11% of the schools, which are historically white, Indian and coloured”. In South Africa not only is the quality of education declining, with poor children trapped in inferior schools with totally inadequate infrastructure, but the deeply distressing reality we have to face is that hungry children cannot learn.

The reality is that in the US and SA and everywhere else you need not just the willingness to work hard. You need real, substantive (not simply formal) opportunity, and the support and strength and resources to use those opportunities. And this is what most of the 25 million BLACK South Africans who are poor lack.

Affirmative action policies in education and employment in SA have failed

In the South African context, affirmative action policies in education and employment have been attempted to promote equality of opportunity and “level the playing field”.

However, they are extremely controversial with critics questioning whether affirmative action policies substantially challenges racist and sexist power, or simply diversifies the small pool of people who can access positions of class privilege. The key affirmative action legislation is the Employment Equity Act which came into effect to achieve equity in the workplace by inter alia promoting equal opportunity and fair treatment in employment through the elimination of unfair discrimination. However, employment patterns continue to be racialised and gendered in ways that demonstrate white men's continuing dominance and privilege as corporate executives. The crucial point made by COSATU in a submission to Nedlac last month is that "our economy has not been radically transformed to benefit the majority of our people".

Patterns of disadvantage

The point I want to emphasize is that inequality involves deeply rooted patterns of disadvantage and one cannot change the pattern by focusing on one factor.

Looking at the issue of inequality sociologically means focusing on the social context and how power is distributed and maintained to privilege certain social categories and subordinate others. It means acknowledging that despite the achievement of a constitutional democracy, racial, gender and class domination continue to be reproduced. It means concentrating on the structural and systemic factors which perpetuate inequality.

The other point I want to emphasize is that inequality is a relational concept: poverty and wealth are closely connected.

The apartheid regime is the classic historical expression of this relation and involved massive, systemic structural violence. Extreme inequality – particularly 'unequal life chances' is a form of structural violence, if we accept Galtung's view that, "... violence is present when human beings are being influenced so that their actual somatic and mental realizations are below their potential realizations...the violence is built into the structure and shows up as unequal power and consequently unequal life chances"(Galtung, 1969:168). Our problems of poverty, unemployment and inequality are grounded in the exploitation which apartheid involved but they have been further intensified by the ANC government measures to integrate SA into neo-liberal global capitalism and to create a new black elite. As Sampie Terreblanche writes, "The PUI problem became more severe since 1994 as a consequence of the unequal power relations that were institutionalised when the elite compromise embraced the ideologies of neoliberal globalism and

market fundamentalism in 1993/4” (Terreblanche, 2012:119).

Terreblanche stresses that the inequality problem is about “the social injustice in situations in which **SYSTEMIC** factors enable a small minority of the population to accumulate power and wealth by exploiting a large part of the population and depriving it of property, labour power and opportunities” (Terreblanche, 2012:108).

In the past few years we have seen increasing class polarisation with the formation of new elite groupings and a growing underclass of the marginalised and excluded. ‘Exploitation’ is the key word here and indicates “the casual relationship between wealth and poverty”. But Terreblanche points out that the rich “usually live in denial about this reality of exploitation... and insist that their wealth is due to merit”. This is what George Monbiot calls the self-attribution fallacy of the rich. That is, they are always inclined to credit themselves with outcomes for which they were not responsible. (He sees wealth as less about talent and intelligence, than the ruthless exploitation of others, and accidents of birth). Monbiot should have quoted George Bernard Shaw who wrote, “Only where there is pecuniary (income) equality can the distinction of merit stand out” (Cited by Wilkinson and Pickett, 2009:232).

As the authors of *The Spirit Level* advise us, “... we need to recognize what a damaging effect they (the rich) have on the social fabric (Wilkinson and Pickett, 2009:262). **INSTEAD OF ADMIRING THEM AS MUCH OF THE MEDIA –PARTICULARLY THE SABC PROGRAMME ‘TOP BILLING’ URGES US TO DO.**

Contempt for the poor

Not only do we seem to admire or at least tolerate the overconsumption of the rich and the powerful one of the most depressing aspects of contemporary South Africa is the contempt for the poor that is developing. As Terreblanche puts it, “the ANC’s attitude towards the poor has changed quite drastically over the past eighteen years. While the poor were regarded in 1994 as the deserving poor who would be the first priority of the ANC government agenda, many in the ANC elite are now inclined to regard them as the undeserving poor” (Terreblanche, 2012:105). There is a lot of talk about moral deficiencies, irresponsibility, dependency on social grants.

Terreblanche writes, 'Members of the white and the ANC elite warn regularly against the unsustainability of existing social grants, while they protect vigorously the sumptuousness of their own lifestyles as members of the privileged class.' (Terreblanche, 2012:105).

This contempt or 'victim blaming' informs some government policy. For example, Gauteng government officials recognise that hunger is a problem in Gauteng – food insecurity is estimated at 42% of the population overall and 70% in the poorer areas. This is despite the post-apartheid constitution's claim that everyone has the "right 'to adequate food. So last year the government undertook a big media campaign with large advertisements in our newspapers under the slogan "ONE HOUSEHOLD ONE FOOD GARDEN". These advertisements emphasized that "food security is a basic right". "The Gauteng Government wants to ensure adequate food is available to all and hunger is eradicated by encouraging households to grow their own food... MEC for Agriculture and Rural Development in Gauteng...urges Gauteng residents to plant food gardens and fruit trees..." (Advertisement in *The Star* 27.10.2011)

This emphasis on self help reflects a neo-liberal ideology and is problematic. While the Gauteng Government's encouragement to residents to plant food gardens is to be welcomed it is simply not possible for many of our people living in informal settlements without access to adequate land and water. This individualizing of a social issue comes close to "blaming the victims".

Rights – such as the right to adequate food are important but as Banerjee argues, rights from above remain on paper "until assertions of these rights by people from below establishes them in practice".

Another example could be the Expanded Public Work Programme (EPWP). Government speaks of the poor "graduating" from dependence on social grants to employment, and describes participation in the Expanded Public Work Programme as a 'bridge' into formal employment. Received wisdom is that skills enhancement is an important remedy for the jobs crisis. Once workers are well educated, trained and skilled, they will be able to find full-time, decent, employment it is claimed. But Marais writes, "the structural trend runs in the opposite direction: toward reducing the size of that core of workers" (Marais, 2011:183). And with the growth of casualisation and low wages even having a job is no guarantee of a decent life.

ALTERNATIVE VISIONS:

The National Development Plan (NDP)

In this context, the National Development Plan's focus on reducing poverty and inequality is encouraging. It recognises that **"Wealth and income disparities, both national and international, threaten economic development as well as social and political stability... many are trapped in a cycle of poverty"** (NDP, pp 52).

The main targets of the NDP are to:

1. reduce the proportion of people living below the poverty level of R418 per person per month (at 2009 figures) from the current 39% of the population to zero,
2. reduce the unemployment rate from 27% in 2011 to 6% in 2030 by creating an additional 11 million jobs and
3. reduce the Gini coefficient from the current level of 0.7 to 0.6 by 2030...while the proposed reduction would mark a significant shift, a high level of inequality would persist in 2030" (pp3).

Many view a Gini Coefficient of 0.6 as unacceptably high. Clearly the NDP is not going to solve the inequality problem. This is because the NDP has put its faith in a virtuous cycle of expanding opportunities but neglects questions of power and the structural conditions, which keep 25 million black South Africans trapped in poverty, increasing unemployment and growing inequality.

It does not present a substantial challenge to the neo-liberal model of development.

Patrick Bond describes the report as flaccid. "A diagnosis that does not mention all the ways SA is vulnerable to the world economy is merely shifting the deck chairs on the Titanic". Terreblanche dismisses the NDP thinking as superficial and naïve and asks, "Who is going to implement the policy measures that will be necessary in order to realise the hyper-optimistic targets set by the NDP? Who is going to equalise the unequal power relations, the unequal property distribution and the unequal opportunities that must be put right before the NDP targets can be attained"

(Terreblanche, 2012:116).

The NDP has been welcomed by business. For example Michael Spicer (Vice-President of Business Leadership SA) in a letter to *Business Day* week before Mangaung, emphasised that “Business leaders have again reiterated this week that they are ready to step up to the plate and play their role in implementing the National Development Plan”. Spicer and other ‘business leaders’ totally fail to realise the implications of the growing recognition that we had a failed transition – a political transition to a constitutional democracy but the failure to redistribute wealth and resources away from such ‘business leaders’.

What documents such as the NDP do not recognise is that we cannot have substantive equality of opportunity without having a high degree of equality of condition. And we already have a document which does recognise this and which provides an inspiring vision for our future – I’m thinking of the Freedom Charter.

The Freedom Charter

The Freedom Charter recognises that equality does not mean making people the same. People did not become the same when the principle of equality before the law was established. One of the impressive qualities of Obama’s Victory Speech that I cited earlier was his celebration of the diversity of the human species. But as a species we have much in common – we have the same human needs and this is what is implicitly recognised in the Freedom Charter – needs for quality education, health care, affordable housing, meaningful work, for a sense of personal significance and so on – all the conditions for what Eric Olin Wright calls ‘human flourishing’ or Amartya Sen’s notion of ‘development as capacitation’ – for all to develop their capacities to the fullest degree. And it is this quality that – for me – defines it as a socialist document.

If we are trying to move beyond the kind of ‘denunciatory analysis’ that I started with. If we are aspiring, as James Ferguson suggests we should, “to link our critical analysis to the world of grounded political struggle – not only to interpret the world in various ways, but also to change it”, we should move beyond ‘denunciatory analyses’ to ask “what do we want? This is a quite different question (and a far more difficult question) than: what are we against?” (Ferguson, 2009:167).

As the authors of *The Spirit Level* point out, “We have lost sight of any collective belief that society could be different. Instead of a better society, the only thing almost everyone strives for is to better their own position – as individuals – within the existing society” (Wilkinson and Pickett, 2009:p4). They are writing about the developed societies of the North, and this is where the kind of experiments happening in the global South, particularly Brazil, are extremely significant.

I think Jo Slovo would stress “the contemporary relevance of Marx’s vision of capitalism as a historically temporary mode of the human economy” (Hobsbawm, 2011:11).

In the short time that is left to me I want to suggest the outlines of an argument for an alternative, for a new kind of socialism – a socialism which is ethical, ecological and democratic. It has to be a new kind of socialism because as Hobsbawm has pointed out, “Socialism, as applied in the USSR and the other ‘centrally –planned economies’ that is to say theoretically market-less, state-owned and controlled command economies, has gone and will not be revived” (Hobsbawm, 2011:8). It also has to be ‘new’ because it should not follow any blue print, but be built from the bottom up through popular participation and debate, and here too the way the Freedom Charter was constructed provides a model path.

The argument for socialism

Socialism is a process rather than a stage of development, a process of building, of working together collectively to build a new kind of society, a good society. For many of us it is one that allows people to develop to their full potential, and they can only do this – they can only develop their capacities and capabilities - if they have the power to participate in decision making and co-operate with others in productive activities. In other words, the good society is also a democratic and participatory society, a society where people care about each other and recognize our responsibilities and obligations towards each other. This is a society marked not by exploitation but by social relations that involve respect and solidarity. This is a very different society to a capitalist one where people compete rather than co-operate and live as atomized individuals who only care about themselves and their immediate family members.

Re-inventing socialism

This means that it must be a new kind of socialism different from anything that has gone before. As Hugo Chavez said in 2005, “We have to reinvent socialism. It can’t be the kind of socialism that we saw in the Soviet Union... we must reclaim a new kind of socialism, a humanist one, which puts humans and not machines or the state ahead of everything” (Cited by Lebowitz, 2010:22). We have to change the present patterns of production and consumption which are based on waste, competition and pollution.

Creating this new kind of socialism means:

(i) We have to re-think **the link between socialism and production**. The dominant conception of socialism in the twentieth century tended to stress the development of productive forces. Previous forms of socialism assumed that “by getting to a certain level of production you solve the problems of poverty and inequality” (Williams, 1995:53).

As Raymond Williams writes, “since 1945... the majority position amongst socialists has been that the answer to poverty, the sufficient and only answer, is to increase production. This in spite of the fact that a century and a half of dramatically increased production, though it has transformed and in general improved our conditions, has not abolished poverty, and has even created new kinds of poverty”(Williams, 1995:46).

The new socialism emphasizes the development of human beings. It means workers’ control, and democratic participatory forms of production rather than the bureaucratic authoritarianism which was the pattern under “actually existing socialism”.

(ii) Creating the new kind of socialism means **we have to rethink how we consume**. Consumerism is the disease of capitalism. Under capitalism we are not human beings but consumers. Capitalists cannot survive without manipulating us into buying and wanting material things. “The shopping mall and the supermarket are temples of consumerism through which global corporations seduce us into participating in the destruction of our productive capacities, our ecological rights and our responsibility as earth citizens“(Shiva, 2008:7). “In reality, consumerism is nothing more than an infinite cycle of dissatisfactions; satisfaction for a short period of time and almost immediately more dissatisfaction. It is a sort of drug addiction and produces the greater art of the global environmental disaster” (Nichols in Kelly and Malone,

2006:110). We have to simplify our lives and reduce our consumption. As Schumacher said, “we have to live simply so that others may simply live”, or the Bolivians emphasize living well rather than living better.

(iii) Creating a new kind of socialism means we have to rethink our **relationship to nature**. Marx recognized how capitalism was destroying nature. He wrote, “Even an entire society, a nation, or all simultaneously existing societies taken together are not the owners of the earth. They are simply its possessors, its beneficiaries and have to bequeath it in an improved state to succeeding generations”(cited by Angus, 2009:210).

Marx also wrote, “Man is part of nature” and we have to recognize our place in a broad, ecological community, in which we are all connected and interdependent. The old type of “productivist socialism” exploited nature carelessly and ignored the limits of nature. This is what we have to call the new socialism by a different name ‘ecosocialism’.

(iv) The new kind of socialism means **different social relations**, the development of solidarity and caring relations rather than the competition and individualism of capitalism.

(v) It means a **different view of human nature** – a view which acknowledges the power of collective action and the human capacity for sharing and solidarity.

The Freedom Charter provides a broad outline of a future build on real equality and solidarity. Slovo wrote, “the wretched of this earth make up over 90% of humanity. They live either in capitalist or capitalist-oriented societies. For them, if socialism is not the answer, there is no answer at all”. Achieving it requires the kind of selfless struggle that Joe Slovo personified.

As Zwelinzima Vavi said earlier this month at the graveside anniversary of Slovo’s death, “One of the biggest challenges we face is the emergence of greed and self-centredness, which makes individuals pursue personal glory and wealth at the expense of the interests of the many” (Vavi, 2012) To meet this challenge “we must build thousands more Slovos, who will not just mouth the principle of selflessness but will practice it daily....” (ibid).