

University of Cape Town



CENTRE FOR
SOCIAL SCIENCE RESEARCH

**SOCIAL AND ECONOMIC CHANGE
SINCE 1994: THE ELECTORAL
IMPLICATIONS**

Jeremy Seekings

CSSR Working Paper No. 83

Published by the Centre for Social Science Research
University of Cape Town
2004

Copies of this publication may be obtained from:

The Administrative Officer
Centre for Social Science Research
University of Cape Town
Private Bag
Rondebosch, 7701
Tel: (021) 650 4656
Fax: (021) 650 4657
Email: kforbes@cssr.uct.ac.za

Price in Southern Africa (incl. VAT and postage): R 15.00

or it can be downloaded from our website
http://www.cssr.uct.ac.za/pubs_cssr.html

ISBN 0-77011-013-5

© Centre for Social Science Research, UCT, 2004

CENTRE FOR SOCIAL SCIENCE
RESEARCH

Democracy in Africa Research Unit

SOCIAL AND ECONOMIC
CHANGE SINCE 1994: THE
ELECTORAL IMPLICATIONS

Jeremy Seekings

CSSR Working Paper No. 83

October 2004

Jeremy Seekings is a Professor of Political Studies and Sociology at the University of Cape Town (UCT) and Director of the Social Surveys Unit (SSU) within the Centre for Social Science Research at UCT.

Social and Economic Change since 1994: The Electoral Implications¹

Abstract

Between 1994 and 2004, the South African electorate changed in a number of important respects. Approximately one-third of the potential electorate in 2004 was too young to vote in 1994; they comprise a post-apartheid generation, for whom apartheid was something learnt about, not remembered. Inter-provincial migration also shapes potential voting patterns. Social and economic change after apartheid has begun to reshape political cleavages in South Africa, although the process has been muted due to the resilience of racial identity, deep-rooted political loyalties and the particular character of social and economic grievances. The growing black middle-class enjoys considerable political power, as does organised labour (which includes typical middle-class occupations such as teachers as well as more conventional working-class occupations). Both of these classes have distinct class interests, and have secured public policies that favour them. Although there are signs of rising class consciousness among the poor, this is yet to find political expression in either civil or political society.

Voting behaviour in most countries is shaped by voters' social and economic positions. Social and economic changes therefore often have profound electoral implications, eroding support for some parties while improving opportunities for others. Since the end of apartheid in 1994, South African society has changed dramatically, with the rapid growth of the black middle-classes at the same time as rising unemployment and declining life expectancy due to AIDS. Inequality has continued to shift from race to class, with growing intra-racial inequalities. Yet these social and economic changes have not recast the country's political cleavages. Racial identities have proved resilient and political loyalties seem deep-rooted. The major political parties have proved more adept at forging racially-based, cross-class than cross-racial coalitions. There are signs of the growing salience of class, but not in the electoral arena.

¹ This paper draws heavily on Seekings and Nattrass (2004) as well as Seekings, Leibbrandt and Nattrass (2004).

The Changing Electorate

The electorate changes even if there are no major social and economic shifts in society. Between elections, some voters die, others reach voting age for the first time, some emigrate and others immigrate. Voters also migrate within the country, affecting provincial electoral contests.

South Africa's 2001 Population Census provides an indication of the importance of demographic change in the potential electorate. South Africa's adult population (i.e. aged eighteen years or older) stood at 27.4 million in 2001. Of these potential voters, 4.7 million (or 17%) were aged between eighteen and twenty-two years old, which means that in 2004, 17% of the potential electorate would have been too young to have voted in the 1999 elections.² A similar number were between the ages of twenty-three and twenty-seven, meaning that they would have been too young to have voted in the first democratic elections, in 1994. Therefore, one-third of the potential electorate in 2004 was too young to have voted in 1994. This is a largely post-apartheid generation of voters, with possibly different perceptions and attitudes to their elders.

Between 1994 and 2004, South Africa's population did not grow uniformly. Lower birth rates and higher emigration rates reduced the white proportion of the electorate. If the election had been held in 2001, 12% of the potential electorate would have been white, 9% coloured, 3% Indian and 75% African.³ With every passing year, the white proportion has been declining and the African share rising. In the 2004 elections, about 83% of the potential first-time voters were African, 8% were coloured, 2% were Indian and just 7% were white.⁴

These demographic changes will, ultimately, impact on voting patterns as the new generation, with a different racial profile and no personal experience of apartheid, begins to exercise its electoral muscle. This could, in time, erode the strength of support for the ANC. For the moment, however, demographic changes seem to have strengthened the ANC relative to the opposition parties which competed primarily for the declining proportion of white, coloured and Indian votes.

² The assumption here is that the age structure in 2004 is roughly the same as in 2001.

³ Throughout this paper, the conventional racial labels will be used: "black" refers to Coloured, Indian and African South Africans, while "African" refers to members of the Bantu/indigenous African groups.

⁴ These figures are for 2001, using the Census data, but 2004 would have been broadly similar.

Income Inequality and Unemployment

Alongside demographic changes, economic patterns have shifted as well. Between the 1970s and 1990s, patterns of inequality slowly changed, with inter-racial inequality declining and intra-racial inequality growing (Whiteford and van Seventer 2000). This trend continued after 1994. Data from the 1995 and 2000 *Income and Expenditure Surveys* (IESs) suggest that the white share of total income declined from about 49% in 1995 to about 46% in 2000, while the African and coloured shares rose.⁵ In 1995, 73% of the individuals in the top income decile (the richest 10%) were white, and only 18% African. By 2000, only 61% of the households in the top decile were white, and 25% were African. The racial composition of the top two income deciles shifted dramatically over a very short period of time. There were, by 2000, about as many African households in the top income quintile (20%) as there were white households. At the same time, the Gini coefficient for income distribution within the African population rose from about 0.56 in 1995 to about 0.61 in 2000.⁶

These changes in inter- and intra-racial inequality reflect a continuing shift from race to class as the basis of South African inequality (Seekings and Natrass, forthcoming). Perhaps the most dramatic manifestation of this has been the accelerating growth of the African elite and middle-classes. The new African middle-class comprises people in salaried jobs (such as managers and university lecturers), professionals, and entrepreneurs and capitalists. Upward occupational mobility, assisted by affirmative action, and reflected in the distribution of salaries has clearly caused more change in patterns of income distribution than black economic empowerment through business opportunities.

The best data on black upward mobility into top income categories are data for the public sector. The proportion of managers at all levels who were African rose from 30% in 1995 to over 51% in 2001, with the total black proportion rising from 40% to over 63%. Changes in the composition of senior management are more muted, but nevertheless by 2001 there were more black than white senior managers (Thompson and Woolard 2002). The 2001 census suggested that, in the public and private sectors combined, there were still more white than black “legislators, senior officials and managers” (56% vs. 44%) and equal numbers of professionals, but there were many more black than white “technicians and associate professionals” (69% vs. 31%). If these three

⁵ It should be noted that survey data from Statistics South Africa have clear flaws. The figures reported here use weights calculated by Ingrid Woolard and Charles Simkins, not the weights suggested by Statistics SA. Findings on some inequality trends are very sensitive to the choice of weights, and to the choice between income and expenditure data.

⁶ Some of these calculations were done by Murray Leibbrandt, and reported in Seekings, Leibbrandt and Natrass (2004). See also Whiteford and Van Seventer (2000).

categories are combined, there are many more black than white people in them (57% vs. 43%, with 41% African). The pace of transformation in the private sector is clearly slower than in the public sector, but even a slower pace of change results in significant shifts in the relationship between race and class in South Africa.

The changing racial composition of these high-earning occupations reflects several factors. First, there is a rising supply of African and black graduates from universities and technikons. Second, emigration has reduced the supply of white professionals and managers, leaving more room at the top for African and black men and women. Thirdly, active policies of affirmative action and, to a lesser extent, black economic empowerment have inflated the demand for black and especially African personnel. This last factor provides the growing African middle-classes with strong incentives to support the ANC.

If expanding opportunities for upward mobility into or within the middle-class provided good reasons for some to vote for the incumbent party, it might be expected that rising unemployment and declining formal employment would have given many other ANC supporters good reasons to withdraw their support. Unemployment rates continued to rise after 1994, from about 20% to over 30% (in terms of the official, or strict, definition of unemployment) or from about 30% to over 40% (using the more appropriate expanded definition) (Nattrass 2000; 2003). Rising unemployment increases inequality. In South Africa, where there is no subsistence agricultural sector to fall back on, unemployment is closely associated with poverty (Bhorat *et al.* 2001; Seekings 2000).

In between the prospering middle-classes and the impoverished unemployed lies the bulk of the working population. The new *Labour Relations Act* strengthened the bargaining position of organised labour, so that wages were insulated from the pressures of massive unemployment. Workers in formal, regular employment prospered, as long as they kept their jobs. Facing rising wages despite unemployment, employers sought to reduce their labour costs through either investing in more capital-intensive production or out-sourcing labour-intensive activities. The result was continuing “re-segmentation” in the labour market, with a deepening divide between workers in formal, regular employment, mostly with skills, and those in casual or contract employment, mostly unskilled (Kenny and Webster 1998). Across the economy as a whole, the demand for unskilled labour has plummeted. Real average remuneration therefore grew at the same time as formal employment fell (Fedderke and Mariotti 2002; Bhorat and Hodge 1999; Edwards 2001; Simbi and Aliber 2000). There is some evidence from surveys related to how earnings have changed over time. Data on a panel of African people in KwaZulu-Natal show that the real

earnings of workers in regular employment rose by 30% between 1993 and 1998, compared to an overall average change in earnings of just 7% (Cichello, Fields, and Leibbrandt 2001). The earnings of workers in regular employment grew faster than the average for everyone in the panel. Some of this spectacular increase was because new entrants into formal employment had higher wages than those who left. But even among workers who were in formal employment in both 1993 and 1998, earnings rose by 20% (*Ibid*: 132).

This does not mean that all members of these working-classes prospered. The earnings of workers who lost or left their jobs plummeted, because few of the people unable to find formal employment are absorbed into the informal sector. South Africa is unusual in that it is a middle income developing country with high unemployment and a relatively small informal sector. The few people who do end up in the informal sector, tend to earn very low incomes (Berry *et al.* 2002; Simkins 2003).

If unemployment is one of the most pressing socio-economic characteristics of post-apartheid South Africa, HIV/AIDS is surely the second. In 2003, an estimated 14% of all South Africans were HIV-positive, with more than one thousand people dying each day of AIDS. For households where bread-winners lose jobs due to poor health, or where children are withdrawn from school to care for sick family members, or for children whose parents die, the consequences of AIDS are clearly massive. Although the evidence is unclear, and much depends on the dynamic responses of employers to the pandemic, it appears likely that AIDS will worsen inequality in South Africa (Nattrass 2004).

Redistribution Through the Budget

The electoral implications of persistent poverty and rising unemployment are muted in part because of redistributive social policies. South Africa redistributes more extensively through the fiscus than any other developing country for which data is readily available (Seekings 2002a). Van der Berg has recently estimated that the Gini coefficient for the distribution of income is reduced by about 18 percentage points (to about 0.50) if taxes and cash transfers are taken into account, and by a further six percentage points (to perhaps 0.44) if the value of in kind public social spending (primarily in the areas of health care and education) is taken into account (van der Berg 2001a). This redistribution occurs primarily through three mechanisms: a progressive and efficient tax system; an exceptional public welfare system based primarily on *de facto* universal and generous old-age pensions; and egalitarian public expenditure on education

combined with high enrolment rates among poor children (Nattrass and Seekings 2001; Seekings 2002a).

In South Africa, the top income quintile pays at least three-quarters of all tax, including almost all income taxes and two-thirds of Value-Added Tax (VAT) (McGrath 1997; van der Berg 2001b). This is one of the reasons why tax funded public expenditure is redistributive. It also means that there is a narrow tax base, even though the Treasury has benefited from improved efficiency in tax collection since 1994. Further increases in tax revenues would require either increasing taxes on the rich, who are already heavily taxed, or extending the tax base through increasing tax rates on less rich classes. The former might have economic costs, the latter has obvious political costs.

While taxation is primarily paid by the rich, social spending is heavily focused on the poor. Despite the fiscally conservative Growth, Employment and Redistribution (GEAR) strategy, social spending rose in real terms in the decade after 1994 and became more pro-poor. The proportion of public spending in the areas of education, health, social assistance, housing and water that was directed towards households in the bottom income quintile rose from 31% in 1993 to 33% in 1997. The proportion spent on the top quintile was reduced dramatically to just eight percent (van der Berg 2001a). Welfare spending is very pro-poor, especially taking into consideration old age pensions, disability grants and the new child support grant. By 2004, almost six million people – or one in seven South Africans – received one or other non-contributory government grant. Education spending also became much more pro-poor after 1994. Teachers in rural areas especially were paid more, teaching posts were allocated from richer to poorer schools, and non-personnel expenditure was concentrated on poor schools.

South Africa might be exceptional in terms of the scale of redistribution from rich to poor through the budget, but this does not mean that poverty is eliminated. South Africa has a generous and inclusive system of social assistance. Yet, this safety net has a loose weave and many poor people fall through the holes (Samson 2002). Crucially, there is no cash support for households that include no pensioners, no disabled people and no young children, i.e. for households that are poor because they include unemployed people who are able-bodied and of working age. To address this problem, the Government-appointed Taylor Committee (the Committee of Inquiry into a Comprehensive System of Social Security in South Africa) recommended the conditional and phased introduction of a basic income grant (BIG) paying R100 to every South African, regardless of income or need. Even if financed out of increased sales taxes, a BIG would entail substantial redistribution and poverty

reduction (le Roux 2002; Borat 2003). The ANC-led Government did not accept the proposal. The welfare system thus continues to achieve very uneven poverty reduction, despite being redistributive. The benefits in kind of public expenditure on education are also of limited advantage to the poor, given the low quality of much public education and the poor prospects for the less skilled in securing well-paid jobs. Finally, pro-poor expenditure on health care did not mean the provision of anti-retroviral drugs to poor people with AIDS. Whilst rich people could access drugs through medical aid schemes, poor people died.

Inequality and Identity

Under apartheid, South African politics was unsurprisingly racialised. With deracialisation, but persistent inequality, massive unemployment and a devastating AIDS pandemic, one might have expected politics to realign around class. Discontented voters might be expected to defect from the incumbent ANC, and support existing or new parties that would champion the interests of the poor majority against those of the increasingly multi-racial elite. To date this has not happened, in large part because class has not eclipsed race as the primary basis of social identity and few poor people hold the government responsible for their continuing poverty.

The first requirement for more class-oriented politics is that political attitudes must begin to orient around class rather than other social cleavages. In South Africa, citizens continue to select racial identities in preference to class identities in surveys. The 2000 *Afrobarometer survey*, for example, found that South Africans volunteered racial, ethnic or linguistic identities five times more often than class ones (a higher ratio even than in Nigeria). Friedman has argued that South African politics revolves around racial identity rather than class interests. This, he suggests, may be good for democracy but bad for redistribution, as “identity politics ... may limit both prospects for reducing inequality and the threat which it poses to the survival of formal democratic politics.” (Friedman and Chipkin 2001: 16; see also Friedman 1999).

At the same time, there are indications of a rising class consciousness. In early 2003, the Institute for Justice and Reconciliation included in its ‘Reconciliation Barometer’ a question on South Africans’ perception of the biggest division in the country. The precise wording was:

People sometimes talk about the divisions between people in South Africa. Sometimes these divisions can cause people to feel left out or discriminated against. In other circumstances it can lead to anger and

even violence between groups. What, in your experience, is the biggest division in South Africa today?

The options presented to the respondents were:

(1) The division between different political parties, like the ANC and IFP. (2) The division between poor and middle income/wealthy South Africans. (3) The division between those living with HIV/AIDS and other infectious diseases, and the rest of the community. (4) The division between members of different religions. (5) The divisions between Black, White, Coloured and Indian South Africans. (6) The divisions between South Africans of different language groups.

The wording of the question might have led respondents to select either race (i.e. the fifth option), because of the reference to discrimination or parties (i.e. the first option), because of the reference to violence. Only one in five of the respondents selected the fifth option, with a similar proportion selecting the first option. More respondents, (30%) selected the second option: class. Within each racial group, class was the most popular option: 29% of white and African respondents pointed to class as the biggest division in South Africa, and a slightly higher proportion of coloured and Indian respondents. Interestingly, responses do not seem to be related to household income.

The apparently limited salience of class consciousness does not mean that poorer people are content. South Africans prioritise job creation and crime as by far the two most important problems facing the country and express strong discontent with the government's performance on both issues. Yet, there are few signs of a distinct consciousness among the unemployed. One reason for this is that state policies that might contribute to unemployment, and hence inequality, are unusually opaque. It is not easy for poor people to trace the links between the state's industrial and labour market policies and unemployment and poverty, even if these policies contribute to rising capital intensity and productivity rather than job creation.

Indeed, whilst South African voters, including the ANC's own supporters, consistently identify unemployment as the most important problem facing the country *and* rate the Government's performance on unemployment as very poor, they do not generally hold the Government *responsible* for unemployment. The ANC-led government might be responding inadequately, but the causes of unemployment are seen to lie elsewhere (Nattrass and Seekings 2002; Seekings 2002b). South Africa might be unique in having an electorate that returns the

governing party to power with large majorities despite poorly rating its performance on the most important issue facing the country.

While material discontent co-exists with enduring racial identities among the poor, there are some signs of change in public attitudes. Mattes (2002) reports that surveys show declining confidence in the economy and trust in government. By 2000, he found that only one in three African respondents expected the economy to improve over the following year, and barely half said that the President was interested in their opinions (with even a smaller proportion saying this of Parliament). A sense of relative deprivation also seemed to be increasing:

Even in 1995, despite one of the highest rates of income inequality in the world, only 32 percent of South Africans said they were worse off than others. This was largely due to the fact that black South Africans tended to compare themselves to other blacks rather than to whites. By mid-2000, however, this figure had increased sharply to 50 percent. In the same survey, 31 percent of blacks said their lives were worse now than under apartheid, up sharply from 13 percent in 1997 (Mattes 2002: 32).

Activists to the left of the ANC see data such as this and hopefully claim that there is a growing tide of militant class consciousness among the poor. Desai suggests that popular consciousness is even being internationalised, becoming part of the global struggle against “neo-liberalism.” Radicalised by their experiences of eviction or disconnection for non-payment of rent or service charges, “the poors,” as they have come to be known in the South African vernacular, “have begun making connections between their situation and that of people, first in Soweto and Tafelsig [Cape Town], but then also in Bolivia, South Korea, America’s prisons, Zimbabwe and Chiapas” (Desai 2003). There is little evidence, however, that this militant class consciousness extends beyond small circles of activists in particular areas.

Overall, the available evidence suggests that racial identities have proved resilient, even as a consciousness of class has increased. The resilience of racial identity is in part due to constant reinforcement by the ANC, both as the government and as a competitive political party. As the governing party, the ANC has taken political advantage of a range of pro-poor policies that it inherited in 1994 and strengthened thereafter. The party is adept at building new clinics and schools in areas where it is electorally threatened, such as the Eastern Cape in 1999. The recent willingness of the ANC to spend more on social policies might indicate a growing concern to retain the support of the rural poor. Given the fact that pro-poor policies are presented in terms of racial redress,

they are bound to have an impact on people's identities, especially since redistribution through the fiscus is extensive, as shown above.

The ANC also plays the race card effectively in elections, preserving a racial cross-class coalition (Davis 2003). Whatever his intention, the effect of President Mbeki using the racialised discourse of "two nations" can only be to shore up racial identities and racialised allegiances. Racial privilege, rather than inequality more broadly, is the ANC's target. ANC supporters have remained loyal to the ANC in part because they give the party credit for democratisation. The strength of partisan identification with the ANC is similar to the strength of partisan identification with the Democratic Party in the USA after a similar defining moment in American politics, the New Deal.

Even if public attitudes were more focused around class rather than race, there might be little opportunity for these attitudes to translate into more class-oriented political behaviour. Two features of the political system serve to constrain change in the patterns of political activity. First, the ANC commands sufficient patronage to keep most senior black politicians on board, denuding most opposition parties of high-profile black leadership. The electoral system provides the ANC leadership with an important source of patronage: places on the ANC electoral lists. Control over appointments in both state and parastatal sectors, and opportunities for both legitimate and illegitimate business activities, all serve to keep aspiring black elites behind the party. Secondly, and partly in consequence, the major opposition parties are not attractive to disillusioned ANC supporters (Mattes and Piombo 2001). The result is that the party system remains racialised. As Friedman puts it, there is no class-based party competing for power; insofar as struggles over class occur, it is within not between racialised alliances (Friedman and Chipkin 2001).

AIDS, like unemployment, is yet to have clear electoral implications. The government's non-response to AIDS prompted strong criticism from opposition parties and the emergence of the Treatment Action Campaign (TAC), a high profile activist organisation. The TAC successfully used the courts and media to effect changes in government policy. But the TAC is not a mass organisation and public criticism of government policy has not led voters to support other political parties. HIV-positive people are not a well-defined political constituency. This might be due to the lower importance that voters attach to health, compared to other issues such as unemployment and crime. South Africans do not seem to acknowledge that there is a major problem with AIDS. Even if the problem is acknowledged, the government might be seen as responding poorly, but is not held responsible.

Expectations of Mobility

There is another possible explanation of the acquiescence of poor voters. Voters might be making decisions about political allegiance and protest based not so much on current social or economic positions as on their expected future positions. Citizens' perceptions of opportunities for upward mobility might be expected to shape their identities and allegiances as well as their judgements on the legitimacy of inequality. The perception that economic liberalisation might promote a more meritocratic society might explain why poor voters in a number of new democracies have endorsed market reforms, even when those reforms have heightened inequality (Birdsall and Graham 2000).

In South Africa, there is evidence that expectations are shaping political behaviour. Most poor voters have remained loyal to the ANC in part because they are patient in waiting for their expectations of change to be fulfilled (Charney 1995; Nattrass and Seekings 1998). Perhaps these voters' expectations of future improvements are more important than their experiences of hardship, even deepening hardship, now. At its height, apartheid entailed an unprecedented system for improving the opportunities open to white people whilst restricting those open to black people. With the end of apartheid, the distribution of opportunities has surely moved in a more meritocratic direction.

There is indeed some "absolute" upward mobility by black South Africans. Absolute mobility is due to changes in the overall class structure: an expansion of higher class occupations pulls in some individuals from lower-class backgrounds. In the late twentieth century, the expansion over time of semi-skilled, skilled and white-collar employment meant new opportunities for upward mobility for many African people (Crankshaw 1997). It is not unusual for a young office-worker to have a father who was a semi-skilled or skilled worker in manufacturing and/or a mother who was a domestic worker, and grandparents who were farm-workers, unskilled migrant mineworkers, or who never had formal employment and never left their homes in the reserves.

But access to new opportunities is clearly not spread evenly across all sections of the African population. More room for African people at the top has not meant that all African people face similar chances of getting there. The relative mobility rate for individuals from lower-class backgrounds is lower than for individuals who start off in higher classes. The dismantling of racial discrimination, improved public and private schooling, and policies of affirmative action and black economic empowerment have changed relative mobility rates. Some, mostly urban, African households enjoy greatly superior access to the new opportunities. They have the educational qualifications required for skilled

employment, and the social capital (or contacts) necessary to secure such employment. Other African households, especially in remote bantustan settlements, lack education and social capital. This underclass is “truly disadvantaged” in terms of its marginalisation in the labour market, i.e. its lack of access to opportunities (Seekings 2003b). Such disadvantage also seems to be reproduced between generations. In other words, the children of poor parents face immense difficulties in rising out of poverty (Seekings 2003a).

The HIV/AIDS pandemic only aggravates these problems. Trends in inter-generational and intra-generational mobility as well as in morbidity and mortality due to AIDS suggest that the poor suffer enduring disadvantages in a range of respects. Children growing up in poor households are likely to be disadvantaged in terms of both human capital (i.e. educational attainment) and social capital (in terms of connections in the labour market). They are much more likely to spend their lives in intermittent employment and unemployment, with their employment comprising unskilled and often casual work and their spells of unemployment being long. They are also more likely to become sick and die, leaving dependents in an especially weak position.

The currently available analysis of and evidence on mobility suggest that the South African economy is something like a game of snakes and ladders. The snakes are the shocks of job loss, the disability or death of a breadwinner due to AIDS, and perhaps also the experiences of crime and social obligations that wipe out the savings of entrepreneurs and inhibit capital accumulation. The ladders involve, above all, getting a job, but also, less directly, acquiring social and human capital. The snakes appear to be distributed fairly randomly, meaning that people in all sorts of social or economic positions are vulnerable. Retrenchment, AIDS-related morbidity and mortality, and even the loss of savings affect both poor and well-off households. But the ladders are not distributed randomly. Relatively disadvantaged households are less likely to find ladders than relatively advantaged ones. They are less likely to acquire the human and social capital that helps secure any employment and especially better-paid employment. Spells of unemployment are likely to be longer, the effects of AIDS-related morbidity or mortality more enduring, and the experiences of crime or social obligations more devastating.

Unfortunately, little research has been conducted on the relationship between disadvantage and perceptions of opportunity and future prospects, or between these and a wider range of social and political attitudes. How do people in different positions in society assess their prospects? How do they perceive the possibilities of encountering either snakes or ladders? And what do they anticipate would be the consequences of sliding down a snake or climbing a ladder?

Attitudinal surveys have indicated that African citizens have been, in general, optimistic about the future, although their optimism may have declined at the very end of the 1990s. They are more positive than citizens in, for example, Brazil in their assessment of the chances of poor people to escape from poverty, and are more likely to attribute poverty to laziness. Their support for the ANC has been closely linked to their optimism about the future. It is unclear, however, whether optimism is related to perceived current or prospective opportunities, or how such perceived opportunities are in fact congruent with real opportunities.

Leaving aside methodological and evidential concerns, there are good reasons to doubt whether, less than ten years after the fall of apartheid, new patterns of stratification are likely to lead to clearly differentiated social attitudes or political responses. The ANC is clearly adept at marshalling its resources, both symbolic (as in the charisma of the inimitable Nelson Mandela) and material (as in the construction of new clinics and schools), in order to ward off electoral challenges. In local government elections, critical independent candidates have generally struggled to make headway against official ANC candidates even when the latter were regarded as having performed poorly. Anecdotal impressions suggest that discontent with the government over unemployment is becoming more politically consequential, especially as the ANC elite is seen as feathering its own nest. In the longer term, the pressures on the ANC might intensify, and with them the incentive for the ANC to tackle the factors that appear to trap so many families in disadvantaged trajectories. In the shorter term, however, the more likely outcome of discontent is lower voter turnout rather than intensified electoral competition.

The Politics of Redistribution

One reason why social and economic changes have not had visible electoral implications is that disputes are, to a considerable extent, contained within the ANC Alliance. At a rhetorical level, and sometimes substantively, COSATU and the (other parts of the) ANC have clashed over policy. Some scholars view both the ANC and COSATU as having sold out or betrayed the more radical objectives of the anti-apartheid struggle (McKinley 2001; Bond 2000; Marais 1998). The ANC's neo-liberal policies – especially trade liberalisation, privatisation, fiscal austerity and cost recovery in urban services – are seen as being against the interests of the poor and working-class. Other scholars see South Africa as moving instead towards a class compromise, in which business has done well but labour has also secured gains, notably through labour market policy (Adler and Webster 1999). The ANC itself argues that the poor have

benefited through social policy, with the social wage helping to make up for low (or no) wages earned in the labour market.

Nattrass and Seekings implicitly agreed with *some* of the ANC's claims in arguing that there was a "double class compromise" in South Africa, in terms of which business secured broadly pro-business macro-economic policies, the working-class secured higher wages and the poor secured pro-poor social policies (2001). We suggested that the poor exerted some power through the ballot box, i.e. that the electoral power of the poor was one factor in the ANC's pro-poor social policies. The weakness of this argument is that some of the gains apparently made by the poor were actually gains won by other, non-poor social groups. For example, the big increase in pro-poor social expenditure after 1994 was in education, where increased spending on teachers' salaries certainly did not result in matching improvements in the quality of schooling enjoyed by poor children. Increased spending on the poor reflected in large part a transfer to teachers, who are definitely not poor. This points us to a central issue in the politics of redistribution in South Africa: the social groups with the political power to extract concessions from the state or capital are non-poor groups. Very few of COSATU's members are in the poorest half of the population in South Africa. Most live in households with incomes above the median but below the mean; they are thus disadvantaged relative to the rich (mostly white) minority but they themselves enjoy a position that is privileged relative to the poor. Some COSATU-affiliated unions, including the teachers' union, SADTU, have membership mostly in households with incomes above even the mean.

The limits to change in the politics of distribution in South Africa are evident in two recent political controversies. The first is the debate (or rather non-debate) over the basic income grant (BIG). The "BIG Coalition" brings together a range of human rights and church groups, as well as COSATU, but only the unions are capable of mobilising mass support. The unions support the basic income grant in part out of self-interest, not because union members would benefit directly from the grant but because of indirect benefits. The grant would reduce the pressures on workers to support dependent kin and might also deflect criticism of the unions' demand for high wages (which arguably undermines job creation). But these indirect benefits are insufficient to lead the unions to push the issue and threaten their alliance with the ANC, and so COSATU has not forced the ANC to seriously consider the proposals. Unions do not organise the poorest of the poor, but actually represent relatively privileged sections of society (Matisonn and Seekings 2003).

Secondly, several South African cities have seen a resurgence of "social movements," mobilising around municipal services and linked into anti-

globalisation activist networks (Desai 2003). These mobilisations are typically single-issue protests (including protests against evictions for non-payment of rent or bond payments, disconnections of electricity and water supplies for non-payment, and so on), and involve very localised constituencies. More importantly, they entail conflict over the symptoms of inequality, i.e. an inability to pay for municipal services or for housing, not the causes of inequality, such as low quality public schooling, high unemployment, and government policies that undermine labour-intensive growth. It is difficult to see these localised and ephemeral conflicts cohering into a truly mass movement of any consequence.

Electoral pressures might push the ANC-led government into pro-poor spending, but this is likely to be more discretionary (such as new schools, clinics or public works programmes) rather than programmatic (such as a basic income grant). The uneasy balance of power between established 'white' business, aspirant 'black' business and organised labour is unlikely to shift enough to allow for major reforms in government strategy. Without policies that encourage the growth of low-wage jobs for the unskilled unemployed and promote more efficient use of public spending on education, inequality is unlikely to diminish.

References

- Adler, G. Webster, E. 1999, "Towards a Class Compromise in South Africa's 'Double Transition': Bargained Liberalization and the Consolidation of Democracy," *Politics and Society* 27(3): 347-85.
- Berry, A., von Klottnitz, M., Cassim, R., Kesper, A., Rajaratnam, B. Van Seventer, D. 2002, *The Economics of Small, Medium and Micro Enterprises in South Africa*, Johannesburg: Trade and Industrial Policy Strategies.
- Bhorat, H. 2003, "A Universal Income Grant for South Africa: An Empirical Assessment," in *A Basic Income Grant for South Africa*, eds. Samson, M. Standing, G. Cape Town: University of Cape Town Press, pp 77-101.
- Bhorat, H. Hodge, J. 1999. "Decomposing Shifts in Labour Demand in South Africa", *South African Journal of Economics*, 67(3): 348-380.
- Bhorat, H. Leibbrandt, M. Maziya, M. van der Berg, S. Woolard, I. 2001. *Fighting Poverty: Labour Markets and Inequality in South Africa*, Cape Town: University of Cape Town Press.
- Birdsall, N. Graham, C. 2000, *New Markets, New Opportunities: Economic and Social Mobility in a Changing World*, Washington, D. C: Brookings Institution Press.
- Bond, B. 2000, *Elite Transition: From Apartheid to Neo-Liberalism in South Africa*, Pietermaritzburg: University of Natal Press.
- Charney, C. 1995, "Voices of a New Democracy: African Expectations in the New South Africa," *Research Report* no. 38, Johannesburg: Centre for Policy Studies.
- Cichello, P. Fields, G. Leibbrandt, M. 2001. "Are African Workers Getting Ahead? Evidence from KwaZulu-Natal, 1993-1998," *Social Dynamics*, 27(1): 120-139.
- Crankshaw, O. 1997, *Race, Class and the Changing Division of Labour under Apartheid*, London: Routledge.
- Davis, G. 2003, "Encouraging Exclusivity: The Electoral System and Campaigning in the 1999 South African Election," Master's thesis, University of Cape Town.
- Desai, A. 2003, "Neoliberalism and Resistance in South Africa," *Monthly Review* 54(8): 16-28.
- Edwards, L. 2001. "Globalisation and the Skills Bias of Occupational Employment in South Africa", *South African Journal of Economics*, 69(1): 40-71.
- Fedderke, J. Mariotti, M. 2002. "Changing labour market conditions in South Africa: A Sectoral Analysis of the period 1970-97," *South African Journal of Economics*, 70(5): 830-864.
- Friedman, F. 1999, "Who We Are: Voter Participation, Rationality and the 1999 Election," *Politikon* 26(2): 213-224. November

- Friedman, S. Chipkin, I. 2001, "A Poor Voice? The Politics of Inequality in South Africa," *Centre for Policy Studies Research Report*, no 87, Johannesburg, Centre for Policy Studies.
- Kenny, B. Webster, E. 1998. "Eroding the Core: Flexibility and the Resegmentation of the South African Labour Market," *Critical Sociology*, 24(3): 216-243.
- Le Roux, P. 2002. "Financing a Universal Income Grant in South Africa," *Social Dynamics* 28(2): 98-121.
- Marais, H. 1998, *South Africa, Limits to Change: The Political Economy of Transition*, Cape Town: University of Cape Town Press.
- Matisonn, H. Seekings, J. 2003. "The Politics of a Basic Income Grant in South Africa, 1996-2002," in *A Basic Income Grant for South Africa*, eds. Samson, M. Standing, G. Cape Town: University of Cape Town Press, pp 56-76.
- Mattes, R. 2002, "Democracy Without the People: Economics, Institutions and Public Opinion in South Africa," *Journal of Democracy*, 13(1). January.
- Mattes, R. Piombo, J. 2001, "Opposition Parties and the Voters in South Africa's 1999 Election," *Democratization* 8(13): 101-128. Autumn.
- McGrath, M. Janisch, C. Horner, C. 1997. "Redistribution through the Fiscal System in the South African Economy," paper presented to the *Economics Society of South Africa Conference*, Potchefstroom.
- McKinley, D. 2001. *The ANC and the Liberation Struggle*, London: Pluto Press.
- Nattrass, N. 2000. "The Debate about Unemployment in the 1990s," *Journal of Studies in Economics and Econometrics*, 24(3): 73-90.
- Nattrass, N. 2003. "The State of the Economy: A Crisis of Employment," *State of the Nation: South Africa, 2003-2004*, Pretoria: Human Sciences Research Council, pp 141-157.
- Nattrass, N. 2004, *The Moral Economy of AIDS in South Africa*, Cambridge: Cambridge University Press.
- Nattrass, N. Seekings, J. 1998, "Growth, Democracy and Expectations in South Africa," *Economic Globalisation and Fiscal Policy*, eds. Abedian, I. Biggs, M. Cape Town: Oxford University Press, pp 27-53.
- Nattrass, N. Seekings, J. 2001. "Democracy and Distribution in Highly Unequal Economies: The Case of South Africa," *Journal of Modern African Studies*, 39(3): 471-498.
- Samson, M. 2002. "The Social, Economic and Fiscal Impact of Comprehensive Social Security Reform in South Africa," *Social Dynamics* 28(2): 69-97.
- Seekings, J. 2000. "Visions of Society: Peasants, Workers and the Unemployed in a Changing South Africa," *Journal of Studies in Economics and Econometrics*, 24(3): 53-72.

- Seekings, J. 2002a, "The Broader Importance of Welfare Reform in South Africa", *Social Dynamics*, 28(2): 1-38.
- Seekings, J. 2002b, "Unemployment and Distributive Justice in South Africa: Some Inconclusive Evidence from Cape Town," *CSSR Working Paper* no. 24, Cape Town: Centre for Social Science Research, University of Cape Town.
- Seekings, J. 2003a, "Social Stratification and Inequality at the End of Apartheid," *CSSR Working Paper* no. 31, Cape Town: Centre for Social Science Research, University of Cape Town.
- Seekings, J. 2003b, "Do the Unemployed Constitute an Underclass?" *CSSR Working Paper* no. 32, Cape Town: Centre for Social Science Research, University of Cape Town.
- Seekings, J. Natrass, N. 2004. The Post-Apartheid distributional regime. Cape Town. *CSSR Working Paper* No. 76. Cape Town: Centre for Social Science Research, University of Cape Town.
- Seekings, J. Natrass, N. *From Race to Class: The Changing Nature of Inequality in South Africa*, New Haven, CT: Yale University Press, forthcoming.
- Seekings, J. with Leibbrandt, M. Natrass, N. 2004. Income inequality after apartheid. Cape Town. *CSSR Working Paper* No. 75. Cape Town: Centre for Social Science Research, University of Cape Town.
- Simbi, T. Aliber, M. 2000. "The Agricultural Employment Crisis in South Africa," *paper presented at the Development Policy Research Unit and Trade and Industrial Policy Secretariat Forum*, Muldersdrift September.
- Simkins, C. 2003. Employment and Unemployment in South Africa, unpublished paper.
- Thompson, K. Woolard. 2002. "Achieving Employment Equity in the Public Service: A Study of Changes between 1995 and 2001," *DPRU Working Paper* no. 02/61, Cape Town: Development Policy Research Unit, University of Cape Town.
- Van der Berg, S. 2001a. "Redistribution through the Budget: Public Expenditure Incidence in South Africa, 1993-1997," *Social Dynamics*, 27(1): 140-164.
- Van der Berg, S. 2001b. "Trends in Racial Fiscal Incidence in South Africa," *South African Journal of Economics*, 69(2): 243-268.
- Whiteford, A. van Seventer, D. 2000. "Understanding Contemporary Household Inequality in South Africa," *Journal of Studies in Economics and Econometrics*, 24(3): 7-30.

The Centre for Social Science Research

Working Paper Series

RECENT TITLES

Ndegwa, D. Horner, D. Esau, F. 2004. *The links between migration, poverty and health: Evidence from Khayelitsha and Mitchell's Plain*. Cape Town. CSSR Working Paper No. 73.

Maughan Brown, B. 2004. *Measuring HIV/AIDS stigma*. Cape Town. CSSR Working Paper No. 74.

Seekings, J. with Leibbrandt, M. Nattrass, N. 2004. *Income inequality after apartheid*. Cape Town. CSSR Working Paper No. 75.

Seekings, J. Nattrass, N. 2004. *The Post-Apartheid distributional regime*. Cape Town. CSSR Working Paper No. 76.

Alemika, E. 2004. *Corruption, governance performance and political trust in Nigeria*. Cape Town. CSSR Working Paper No. 77.

Burns, J. 2004. *Race and trust in post-apartheid South Africa*. Cape Town. CSSR Working Paper No. 78.

McCord, A. 2004. *The Gap between Micro-Economic Policy Expectations and Programme Reality: Lessons from Two Public Works Programmes in South Africa*. Cape Town. CSSR Working Paper No. 79.

Beck, D. 2004. *Men and ARVs: How does being a Man affect Access to Antiretroviral Therapy in South Africa? An Investigation among Xhosa-Speaking Men in Khayelitsha*. Cape Town. CSSR Working Paper No. 80.

Godlonton, S. Keswell, M. 2004. *The Impact of Health on Poverty: Evidence from the South African Integrated Family Survey*. Cape Town. CSSR Working Paper No. 81.

Nattrass, N. 2004. *Trading-off income and health: AIDS and the disability grant in South Africa*. Cape Town. CSSR Working Paper No. 82.

The Centre for Social Science Research

The CSSR is an umbrella organisation comprising five units:

The Aids and Society Research Unit (ASRU) supports quantitative and qualitative research into the social and economic impact of the HIV pandemic in Southern Africa. Focus areas include: the economics of reducing mother to child transmission of HIV, the impact of HIV on firms and households; and psychological aspects of HIV infection and prevention. ASRU operates an outreach programme in Khayelitsha (the Memory Box Project) which provides training and counselling for HIV positive people

The Data First Resource Unit ('Data First') provides training and resources for research. Its main functions are: 1) to provide access to digital data resources and specialised published material; 2) to facilitate the collection, exchange and use of data sets on a collaborative basis; 3) to provide basic and advanced training in data analysis; 4) the ongoing development of a web site to disseminate data and research output.

The Democracy in Africa Research Unit (DARU) supports students and scholars who conduct systematic research in the following three areas: 1) public opinion and political culture in Africa and its role in democratisation and consolidation; 2) elections and voting in Africa; and 3) the impact of the HIV/AIDS pandemic on democratisation in Southern Africa. DARU has developed close working relationships with projects such as the Afrobarometer (a cross national survey of public opinion in fifteen African countries), the Comparative National Elections Project, and the Health Economics and AIDS Research Unit at the University of Natal.

The Social Surveys Unit (SSU) promotes critical analysis of the methodology, ethics and results of South African social science research. One core activity is the Cape Area Panel Study of young adults in Cape Town. This study follows 4800 young people as they move from school into the labour market and adulthood. The SSU is also planning a survey for 2004 on aspects of social capital, crime, and attitudes toward inequality.

The Southern Africa Labour and Development Research Unit (SALDRU) was established in 1975 as part of the School of Economics and joined the CSSR in 2002. SALDRU conducted the first national household survey in 1993 (the Project for Statistics on Living Standards and Development). More recently, SALDRU ran the Langeberg Integrated Family survey (1999) and the Khayelitsha/Mitchell's Plain Survey (2000). Current projects include research on public works programmes, poverty and inequality.
