

South Africa: the New Divide

SIEGMAR SCHMIDT

When you come back to South Africa after, say, ten years, the first impression might be: nothing has changed! The poor shacks in the townships Nyanga close to Cape Town International Airport and then a few kilometers further Khayelitsha with its hundreds of thousands of inhabitants form a sharp contrast to the beautiful middle and upper class villas of Somerset West. The traditional assumption of an Apartheid-induced division of South Africa into a white rich world and a poor black world seems to remain valid ten years after the political transition to majoritarian democracy. But a closer look reveals that change has occurred that contradicts the traditional view: there is electricity and basic infrastructure in most places in the townships and there are many new settlements and areas with new smaller houses around Somerset West with an increasingly multi-racial population. If this observation, which is in a strictly academic sense non-representative, has some significance, it would mean that there has in fact been a change in the well being of the poorer parts of society as well as in the class structure of the South African society. In this case, the political transition from Apartheid to universal suffrage has definitely had an impact on social stratification and the standard of living of the poor.

This article tries to show that the active welfare policy pursued by both post-Apartheid governments has had mixed results: on the one hand, it has been successful in improving the living conditions of millions of South Africans, on the other hand, up to forty percent of South Africans are still poor and the unemployment rate remains extremely high – between thirty and forty percent – even though the economy has grown continuously since 1996. With respect to income distribution, the picture also is ambivalent: *inter*-racial inequality has been reduced, but *intra*-racial inequality has grown considerably. African¹ middle and upper classes have emerged. Yet persisting inequality is unlikely to destabilize

1. The term African refers to black South Africans only.

the country politically because, firstly, the African National Congress (ANC) is still supported by the majority of the people, and, secondly, because the new class structure is supportive of the government.

The Situation at the Onset of Post-Apartheid Transformation

High Expectations

In South Africa socio-economic inequality between the different population groups is still among the highest in the world – even though the Gini coefficient, which measures inequality,² fell from 0.66 in 1971 to 0.58 in 1998. Correspondingly, the post-Apartheid governments, which have been dominated by the ANC, were confronted with high popular expectations of redistribution. Redistributive pressure also came from within the political elite. The ANC is part of an informal tripartite alliance with the South African Communist Party (SACP) and the largest trade union federation COSATU (Congress of South African Trade Unions). Within this alliance, the ANC holds a centrist position compared to the more left-wing position of its partners. Their self-image, echoed by a strong tendency within the ANC itself, is that of a socialist movement fighting for the marginalized poor and for workers' rights and advocating a dominant role of the state in the economy. Thus, redistribution was one of the key terms expected to become the political leitmotif after the electoral victory in 1994.

But in the euphoria about the victory at the polls it was easily forgotten that the ANC had turned into a more social democratic force which had explicitly renounced the nationalization of key industries during the transitional negotiations with the Apartheid government. The guarantee of private property and the (implicit) renunciation of a massive income redistribution was part of the deal at the negotiation table and a pillar of the non-racial South Africa. Also the business community and liberals (historically organized in the Democratic Party) issued warnings that South Africa could lose its international competitiveness if it spent too much on welfare and social objectives compared with countries such as Brazil and India.

Overall, however, there was and is a broad consensus that an active welfare policy, which would improve the lives of the majority, is necessary

2. The maximum inequality on this scale is 1 while 0 stands for total equality.

both on moral grounds and as a condition of political stability and identification with the new state. But aside from this consensus, the crucial political question has been focussing on how to reach this aim without affecting the economy and losing support of key groups such as business and trade unions.

Achievements of the Working Class Under Apartheid

The discrimination of the African, Colored and Indian population groups, which culminated in the Apartheid system – introduced by the National Party administration in 1948 – had strong socio-economic foundations. From a political-economy perspective, Apartheid has historically had the purpose of protecting white labor by excluding other population groups from the relevant segments of the labor market. Dating back to the 1920s, a historical compromise between organized white labor, employers and the government to protect white labor guaranteed political stability for the long period of over fifty years. Intra-class conflict between white workers and employers, which had led to militant uprisings of white trade unions in 1922 (Rand Revolt) and threatened the existence of the still fragile South African Union, formed in 1910, was »solved« with this compromise. As a result, the wage and standard-of-living gap between the different racial groups widened enormously. During the 1960s, the golden years of the South African economy with average growth rates of six percent, the system seemed stable. But in the wake of the oil crisis of 1973/74, an unprecedented strike wave in Durban in 1973 and the Soweto uprisings of 1976 marked the rising pressure on the system to change. The 1970s witnessed the emergence of an internal opposition movement led by churches and especially trade unions. A new generation of independent African trade unions, financially and logistically supported by foreign union federations and political parties, challenged Apartheid at the workplace and henceforth developed into the core of the internal opposition movement (Schmidt 1992). The relative tolerance of the government toward the new union movement and the initiating of labor law reforms – from the second half of the 1970s onwards – was underpinned by changes in the production structure due to technical modernization. There was a shift from labor intensive to capital-intensive production, which required a more highly skilled workforce. Large parts of the business community therefore came to regard the union movement as a potential partner. In addition, the government increased expenditure

on education. The working class – well-organized by the trade unions – achieved real wage increases, even throughout the crisis decade of the 1980s. The industrial workforce became the center of a non-white middle class with a significantly higher standard of living than that of Africans living in rural areas or the »homelands« and that of the urban unemployed.

The guarantee of private property and the (implicit) renunciation of a massive income redistribution was part of the deal at the negotiation table and a pillar of the non-racial South Africa.

At the onset of the 1990s the wage and living standards gap had been narrowed compared to the heyday of Apartheid. Yet it still remained large: in 1993/94 the »ratio of white household per capita incomes to the other races was respectively 7.4 (African), 4.4 (Coloreds) and 2.4 (Indians)« (Pillay 1996: 35). The poorest forty percent of the population³ earned only four percent of total income while the richest ten percent earned more than half. The poor-rich divide ran parallel to the race divide: nearly 95 percent of the South African poor were Africans, four percent were Colored and less than one percent Indian and White. The lack of infrastructure and basic services, especially in rural areas, resembled that in South Africa's underdeveloped neighboring countries.

In startling contrast to this picture of a society sharply divided along race lines, the Apartheid regime had established a highly developed welfare system along continental European lines for the white population and in part also for the African workforce in the formal sectors of the economy. South Africa's relatively generous pension system was unique among developing countries (Nattrass/Seekings 2002: 5; Berg 2001: 186–187).

3. Excluded from most surveys are the mostly illegal immigrants from the neighboring countries. Estimates put the number between 2 and 8 million for the mid-1990s. Taking them into account the numbers of poor people would be significantly higher.

The Post-Apartheid Economic and Social Reform Packages

It is important to note that both programs analyzed in this section, the Reconstruction and Development Programme (RDP) and the Growth, Employment and Reconstruction Programme (GEAR), have to be regarded as »packages« which define a broad range of economic and social priorities of government action. Both programs have had a decisive influence on welfare policy and the well being of individuals. Their various economic and social elements are interconnected, interdependent and created effects in different spheres.

The Reconstruction and Development Programme: Strong on Redistribution – Vague on the Economy

In a highly consultative process with civil society groups, the ANC and its allies began to work out a program before the first democratic elections in 1994. The outcome of the discussions was the Reconstruction and Development Programme. It was the first comprehensive economic and social program of the ANC after the ideological watershed caused by the end of communism in Europe. The RDP built on the premise that »economic reconstruction and social development should be mutually reinforcing« (Lodge 2002: 54). The idea was that an improvement in infrastructure and service delivery would stimulate the economy. Together with enhanced training and education, these improvements would increase South Africa's competitiveness on world markets and boost exports. The program clearly revealed the handwriting of the trade union movement, in particular COSATU. At that time, the influence of COSATU on the ANC was at its peak since the ANC depended on the logistical and electoral support of the trade unions for the upcoming elections in 1994. The RDP key document (ANC 1994: 7) specifies five objectives:

- ▶ meeting basic needs,
- ▶ developing human resources through education and training,
- ▶ reconstructing the economy,
- ▶ democratizing the state and society, and
- ▶ implementing the RDP by a people-driven process.

The program was in large part crafted in a language that paid tribute to the struggle against Apartheid. It can be described as a catch-all program addressing both developmental and economic reforms. But it lacked a coherent strategy.

At the heart of the development part of the program was the reduction of poverty (Roux 1996). This was to be achieved by an increase in social welfare for the majority of the population, concentrating on basic needs such as food, health care and housing and on employment. The program further announced the development of a national system for the delivery of social services as well as massive changes in welfare legislation. Both the social service system and the welfare laws had thus far reflected the imbalances created by Apartheid. Special attention was to be paid to vulnerable groups such as children, single mothers or pregnant women. In the long run, a social safety net was to be established with a mix of compulsory private pension schemes and state pensions. In addition, affirmative action was envisaged as an instrument for increasing the upward social mobility of Africans. In the area of education and training, an overall improvement of the situation was intended. Special reference was given to the equal treatment of women. Furthermore, arts, culture and sports were identified as a focus for social enhancement.

Whilst the social objectives were formulated in great detail, the second part of the RDP, the restructuring of the economy, remained relatively vague. Surprisingly, central importance was attributed to the »question of workers' rights« (ANC 1994: 10), which were defined as the increase in participation at every level. However, the RDP also strongly advocated the re-integration of the South African economy into world markets. The economy should »adjust« to the pressures of globalization in order to boost South Africa's export. The export-led growth strategy was very much in line with the standard recommendation of the Bretton Woods institutions. Therefore it would be misleading to regard the program as a socialist document. More appropriate would be to qualify it as social democratic, in its simultaneous emphasis on the private economy, a strong public sector and an interventionist state.

According to Friedman (2002: 39), the dual character of the RDP can be explained by political compromises negotiated between divergent interests within the tripartite alliance, which had to be »fudged« in the RDP. The compromise character of the RDP, its ambivalent language and its various policy recommendations led to different understandings of the program. For the political left, redistribution lay at the heart of the RDP, whereas the government considered economic reconstruction equally or even more important (Roux 1996: 49–50). The objectives of further democratization and of a people-driven process were closely linked to each other. The »people« were to participate in planning and implement-

ing concrete RDP projects, and this required a politically mobilized civil society consisting of self-help groups, NGOs etc. These »Community Based Organizations« were to cooperate with political parties and business Development Forums. The projects proposed and planned by the Forums were to be financed by the RDP office and channeled through ministerial departments and other government institutions after consultations had taken place. The RDP office was headed by Jay Naidoo, a former secretary-general of COSATU.

Education and training has become the largest single item in the national budget, with a share of over twenty percent in 2001. This amounts to seven percent of GDP, which is one of the highest proportions worldwide.

The program had a very promising start. Mandela announced dramatic increases in spending for basic needs provisions. Among other things, a nutrition program including free meals for school children was introduced. It immediately covered 3.2 million children and it has – in the meantime – been extended to five million. For many school children this was the only hot meal during the day. Furthermore, hundreds of Development Forums were established all over the country.

In spite of the progress in improving the basic infrastructure and its widespread popularity, the RDP office was dissolved only one and a half years after its start, its responsibilities were given to different ministries, and Jay Naidoo became head of the post and telecommunications ministry. There are various possible reasons for the surprisingly short life of the RDP. One general problem was the weak and unclear position of the RDP office between the different ministries, which jealously declined to give away any competences. The office itself was understaffed and incapable of implementing policy, since it lacked its own bureaucracy. Furthermore, the idea of a people-driven process proved to be difficult for at least two reasons: firstly, the whole process of identifying and implementing projects on the local level depended on the extent to which »Community Based Organizations« existed and were capable of agreeing on projects. Often, this was not the case. Secondly, the implementation was dependent on active support by local governments. Yet the first democratic local elections did not take place until November 1995, more than one year after the RDP had started, and support from the old

administrations was often limited. But even the newly elected administrators were no friends of a participatory policy process, as they were under official pressure to spend the available money in a given period. In reality, the people-driven approach failed. Instead of the envisaged bottom-up approach, officials led the policy process more in a top-down manner. The abolishment of the RDP was the result of both the state's and civil society's weak implementation capacities⁴ and not, as many on the South African left argued, a conspiracy of business and conservative forces.

The Growth, Employment and Redistribution Programme: Shifting Priorities – Bidding for Investment

In marked contrast to the consultative process and public debate that characterized the drafting of the RDP, its successor program was developed behind closed doors by a small team of the South African Reserve Bank. It was therefore no surprise that the tripartite alliance members COSATU and SACP, joined by a broad spectrum of NGOs, were suspicious of the new program. The prime aim of the Growth, Employment and Redistribution Programme (GEAR) is to generate economic growth, which is regarded as the precondition for an increase in public social spending. The key points of the program recall World Bank and IMF recommendations much more explicitly than the RDP:

- ▶ reduction or at least »freezing« of government expenditure, with a three-percent ceiling on the budget deficit, which is also the ceiling for the Euro-zone countries;
- ▶ privatization of statal and parastatal corporations, abolishing monopolies in public services;
- ▶ linking of wage increases to productivity growth;
- ▶ liberalization of external trade and capital movements;
- ▶ tax incentives to promote new domestic investment.

It was expected that all this would bring about a significant increase in both domestic and foreign investments. In contrast to the RDP, GEAR stipulates quantified targets. It aims at an annual growth rate between five and seven percent and the creation of 400,000 jobs a year. According to most experts, a growth rate between five and six percent would be

4. See the examples of housing and water supply by Lodge (2002).

necessary to reduce unemployment. The main organizational difference compared to the RDP is that the various schemes and projects are now implemented by the ministerial departments.

Leftist critics accuse the ANC of selling out the social ideals of the anti-Apartheid struggle (Marais 2001: 162–163). GEAR was rejected at several COSATU congresses. At the same time, business and international organizations viewed GEAR as a step in the right direction. But it is mistaken to regard GEAR as a fundamental break with the past. It continues the infrastructure and basic needs programs of RDP and it has only very scant effects on labor regulations. The pro-labor policy, which is in fact a pro-union policy, is not only continued but labor legislation has even been extended. The Labour Relations Act of 1995, which extended collective bargaining rights to the non-industrial sectors (farm workers, domestic workers) and created a commission for conciliation, became law in 1996. In 1997, the »Basic Conditions of Employment Act« defined employment standards such as the forty-hour working week and maternity leave for six months. Finally, the »Employment Equity Act« of 1998 was directed against any form of discrimination, and strongly promoted affirmative action and a special focus on the integration of women into the labor market. These reforms were negotiated between business, labor and the government mostly in corporatist bodies such as the National Economic Development and Labour Council, not least to the benefit of COSATU, whose membership rose from 1.2 to 1.8 million between 1991 and 1999.

The ANC and the tripartite coalition represent the interests of the African middle class, especially the unionized workforce in the formal sector of the economy and the African business and professional community. These well-organized and articulate political forces have only a limited interest in further redistribution or in an expansion of the welfare system.

In political terms, the extension of labor laws can be regarded as the political price the government and business had to pay to the labor movement for its loyalty and acceptance of GEAR, despite all the aggressive rhetoric. Taking into account the achievements of the trade union movement in labor legislation during the last 20 years, it is not exaggerated to attest to South Africa first-world standards in this respect.

GEAR has failed to meet its ambitious goals with respect to growth, investment and especially the creation of jobs. In 1997 and 1998, the South African economy grew between one and two percent. Thereafter growth rates climbed to slightly above three percent on average, which outpaced population growth by two percent. The export boom of agricultural

products such as wine and fruits, which accounted for a large part of economic growth, was helped by a weak Rand. While the indicators of macro-economic stability (budget deficit, inflation) were improving, domestic investment grew only moderately and foreign investment stagnated.

The Changing Structure of Inequality

An Impressive Extension of Public Services

The results of the many empirical studies about social inequality, unemployment, etc., which have been undertaken by government bodies such as Statistics SA, independent institutions and universities, differ vastly from one another.⁵ But the various sources agree that, since 1994, there have been impressive improvements in the delivery of basic services: according to Lodge (2002: 57–58; 2003), between 1994 and 2000, an additional 4.8 million people were supplied with clean piped water. By October 2001, nearly 85 percent of the population had access to clean water, but only 32 percent had water in their homes. Nearly 1.2 million cheap houses providing accommodation for five out of the twelve million people living in shacks had been built by the end of 2000. Over five hundred clinics had been added to the existing number of three thousand and vaccination campaigns have eliminated polio and measles. One of the most impressive developments took place in the electricity sector: by the end of 2000, over 1.75 million households had been connected to the national grid. After a slow beginning, substantial progress has been made on the redistribution of land. Education and training has become the largest single item in the national budget with a share of over twenty percent in 2001. This amounts to seven percent of GDP, which is one of the highest proportions worldwide. The largest progress in infrastructure improvements was reached in the Eastern Cape and in the Limpopo provinces, the two most underdeveloped regions. The Census of 2001

5. The main reason lies in different methodologies. The statistical incongruences became obvious in July 2003 when the figures of the 2001 census differed substantially from the data of the Central Bank, the SA Reserve Bank and other sets of data. The issue ranked so high during the public debate that even President Mbeki stressed the necessity to reform Statistics SA.

also reveals that a majority of the population now has consumer goods such as refrigerators, television sets, radios etc. (Cape Times 9. July 03).⁶

It is obvious that real progress has been made in a wide range of areas. But case studies also reveal that in many cases the quantitative improvements lack quality (Lodge 2002: 60–63), e.g. houses that have been built fail to meet regulations or are too small. Another deficit is that people are often too poor, or – in the tradition of the struggle against the Apartheid state, which led to widespread antipathy toward the state in general – unwilling to pay for utilities such as water and electricity. For example, in many rural communities residents returned to rivers and boreholes to get water. As a result, diseases are increasing and the expensive water schemes depend heavily on government subsidies. Another worrying fact is that the impressive progress achieved in the health sector is more and more counter-balanced by the spread of AIDS. It is estimated that by now 4.7 million South Africans are infected, which is the highest number in any single country. The costs of the medical treatment of HIV-infected people are rising dramatically and are hindering or even reversing progress in other health sectors.

Extremely High Unemployment

South Africa's new fight against poverty suffered its most serious defeat on the employment front. According to the latest figures (the 2001 census) the unemployment rate reached 41.9 percent! While other surveys come up with less dramatic figures – Statistics SA shows a rate of 24 percent – this is explained by different definitions of factors that boost employment and shrink the workforce.⁷ Between 1994 and 2000 most economic sectors shed labor. Marais (2001: 175) calculated 500,000 lost jobs in the non-agricultural sectors such as mining, manufacturing and construction. Lodge (2002: 27) gives a figure of 815,000 lost jobs in agriculture, fishing and forestry for 1995–96. This is in part the result of labor-saving technology, introduced because of rising wages. On the

6. But white households are, in general, still much better equipped with consumer goods: 46 percent of white households had a phone at home compared to 2 percent of Blacks.

7. Some statistics regard people as employed if they had paid work for a minimum of 4 hours a week, some count people as unemployed only if they have actively looked for a job in the past 3 months.

other hand, many South African companies prefer now to invest in neighboring countries, something they have been allowed to do since the end of Apartheid. Meanwhile the informal sector, which provided one million new jobs between 1995 and 1999, seems to have reached the ceiling of its capacity. Therefore, the chances of the annual 500,000 school leavers to find a job are low. But due to better qualifications, Whites are less affected than Africans or Coloreds.

From Race to Class Disparities

The abolition of Apartheid and the reforms since 1994 have changed the class structure of South Africa considerably. In general, the African middle and upper classes have benefited most since 1994. The South African upper class – consisting of professionals and managers – has become increasingly multi-racial: Africans make up ten percent of the top twenty percent earners. In 1990 the share was only two percent (Lodge 2002: 29). The broad middle class, which accounts for over fifty percent of the entire population, is composed of different segments including white-collar workers in private and public companies, the »intermediate« class of teachers and nurses and the urban industrial workforce (Nattrass / Seekings 2002: 3). It is important to stress that the industrial, highly unionized workforce in South Africa and in Africa in general does not belong to the underclass like in Europe in the 19th century. The number of Africans belonging to the middle class has risen constantly. In the public sector their number tripled between 1996 and 2001 to roughly half a million (Sunday Times 20.7.2003: 1). Firstly, they benefited from the abolition of Apartheid, which resulted in the removal of different salary scales for the racial groups. Secondly, the economic policy favored them after 1994. As Nattrass / Seekings (2001: 8) convincingly demonstrate with the example of teachers, expanded government led to strong salary increases for teachers. In addition, affirmative action, empowerment measures in the public sector and the employers' practice of preferring Africans helped to extend the African middle class.⁸ An additional factor is the ever-growing number of black graduates leaving the universities, many of whom establish their own businesses.

8. It should be noted that many companies do »window dressing« and duplicate jobs when Africans are given executive positions.

Altogether, inter-racial income disparities have decreased significantly. On the other hand, the post-Apartheid upward mobility of many Africans has also boosted intra-racial disparities.⁹ This is because it has not removed the social polarization that is caused by the lack of economic opportunities. At the bottom of the society are still the poor or marginalized forty percent of the population. They mostly consist of unemployed and badly paid domestic and agricultural workers. Their main disadvantage is a lack of skills in an economy, which offers fewer and fewer jobs for unskilled workers in sectors such as agriculture and mining. According to Lodge (2002: 67), the income share of those forty percent actually declined between 1991 and 1996. A local study in the townships around Cape Town¹⁰ found that poverty has increased by fifteen percent since 1996 and that 67 percent of all households are below the poverty line.

Whether on balance poverty has increased or not is uncertain, because the tremendous increase in government spending on public infrastructure and social services (housing, provision of water, etc.) must also be taken into account. Lodge's speculation »that the unemployed may not have become poorer but their numbers have increased« (Lodge 2002: 67) seems to be plausible but has to be supported by further research. What is clear is that pensioners have been among the losers of the post-Apartheid transformation: the real value of their pensions dropped by twenty percent in the 1990s. This has had effects far beyond the pensioners' own standard of living, since for many households the pension of the old generation has become the only regular source of income (see also Friedman 2002: 41).

South Africa on the Road to Latin America?

Ten years after Apartheid South Africa continues to suffer from vast inequalities and extremely high unemployment. In his provocative book »When Mandela Goes«, Lester Venter speculated about the danger of a second, not so peaceful revolution that sets the poor masses against the new multi-racial ruling class. In fact, many Africans have become increasingly disappointed by the socio-economic achievements of the post-Apartheid governments, especially with regard to the unkept promise of

9. The Gini Index for Africans has increased strongly from 0.35 in 1990 to 0.51 in 1995.

10. *NZZ*, 31 May 2003, p. 6.

reducing unemployment. However, my hypothesis is that the political stability of South Africa is not threatened by the approximately forty percent of poor people, at least not in the short run. It is also very unlikely that the upcoming elections in April 2004 will bring about a change in government. My prediction is based on four arguments.

Improvements for the poor. Although there is disappointment about the government's performance, there are clearly also improvements in the daily lives even of the poor. As the above-mentioned ride along the townships and squatters of Cape Town demonstrates, infrastructure and services have improved through massive public spending. This is also true of some of the poverty indicators.

Continuing support for the ANC. The ANC still enjoys immense credit and respect because of its historical role as the liberation movement. The majority of people still trust the ANC. And many voters do not hold the ANC responsible for their living conditions but tend to blame the legacy of Apartheid, the employers or the anonymous forces of globalization for the continuing social ills, especially for unemployment. Furthermore, as Lodge (2003) has shown, the ANC receives much support through its many branches and its still active social organizations at the local level, whereas most other political parties are not organized in poor communities.

There is the prospect of South Africa following the Latin American path of a society deeply divided along class lines but with a functioning polity and relatively stable political institutions.

Ideological rhetoric. The ANC has successfully launched political and ideological projects, which unite and include all social groups. It particularly focused on the appealing and effective political rhetoric of ideas, e.g. the idea of a Rainbow Nation promoted by Mandela and the more Africanist idea of an African Renaissance. The vision of an African Renaissance has been successfully lifted to the regional and international stage. Thus, it formed an important part of the concept of the New Partnership for Africa's Development (NEPAD) through which the ANC has been able to maintain political support.

Lack of organizational alternatives. For the poor, there is still no alternative to the ANC. Firstly, the other parties are not expected to be more in favor of the poor. On the contrary, the most important among them

support the government's conservative macro-economic policies. And as Steven Friedman (2002: 50) has recently vigorously argued, the »poor have no champions«, no political organization. The ANC and the tripartite coalition represent the interests of the African middle class, especially the unionized workforce in the formal sector of the economy and the African business and professional community, which has gained tremendous influence within the ANC (ibid.: 40; Nattrass/Seekings 2002). These well-organized and articulate political forces have only a limited interest in further redistribution or in an expansion of the welfare system. Any form of a more egalitarian policy would very likely threaten their privileged position since it could mean higher taxation for the new African middle class. In comparison to the middle class, the poor are not effectively organized to exert influence within the ANC and it is not foreseeable that there will be a party farther left from the ANC in the near future.

These four interconnected reasons indicate that a social revolution is highly unlikely. As Lodge writes, »resignation rather than rebellion is more characteristic of the politics of the South African poor.« (Lodge 2003: 19).¹¹ There is the prospect of South Africa following the Latin American path with a society deeply divided along class lines but with a functioning polity and relatively stable political institutions (Berg 2001: 172). But if six million people have no chance for re-integration into the labor market it is unlikely that, for example, the extremely high crime rate will decline. There is an ongoing discussion in South Africa about the unfinished social transformation of the country and a more egalitarian social democratic agenda. Many intellectuals plead for more »creative« solutions to increase the absorptive capacity of the labor market. Suggestions include wage subsidies to employers, expansion of public work, higher taxes for the upper and middle classes, and better education and training. With a debate like this, South Africa is inserting itself into the worldwide search for avenues toward social justice under extreme labor surplus conditions.

11. Political apathy and a retreat into the private sphere can be observed after many transitions.

Bibliography

- Adam, Heribert / Moodley, Kogila / Slabbert, Frederic van Zyl, 1997: *Comrades in business*, Cape Town: Tafelberg.
- ANC (African National Congress), 1994: The Reconstruction and Development Programme. A policy framework, Johannesburg: Umanyano (reprint 2000).
- Berg, Servaas van de, 2001: »Social policy to address poverty«, in: Berg, Servaas van de / Bhorat, Haroon et al. (eds.), 2001: *Fighting poverty. Labour markets and inequality in South Africa*, Landsdowne / South Africa: UCT Press, pp. 171–204.
- Friedman, Steven, 2002: »Equity in the age of informality: labour markets and redistributive politics in South Africa«, in: *Transformation*, 50, pp. 31–55.
- Halbach, Axel J. / Röhm, Thomas, 1998: Das neue Südafrika: Wachstumsimpulse für den schwarzen Kontinent?, München: ifo-Institut (= Afrika-Studien Nr. 126).
- Lodge, Tom, 2002: *Politics in South Africa. From Mandela to Mbeki*, Cape Town et al.: David Philip.
- Lodge, Tom, 2003: Politics, poverty and policy in South Africa, 1994–2002, paper presented at the International Political Science Association Conference at Durban, 5 July 2003.
- Marais, Hein, 2001: *South Africa – limits to change. The political economy of transition*, London & New York: Zed Books (2nd revised edition).
- Nattrass, Nicoli / Seekings, Jeremy, 2002: »Class, distribution and redistribution in post-Apartheid South Africa«, in: *Transformation*, 50, pp. 1–30.
- Pillay, Pundy, 1996: »An overview of poverty in South Africa«, in: Deng, Lual A. / Tjonneland, Elling N. (eds.): *South Africa: Wealth, poverty and reconstruction*, Bergen: Chr. Michelsen Institute / University of the Western Cape, pp. 14–46.
- Roux, Pieter le, 1996: »Poverty, social policies and the Reconstruction and Development programme«, in: Deng, Lual A. / Tjonneland, Elling N. (eds.): *South Africa: Wealth, poverty and reconstruction*, Bergen: Chr. Michelsen Institute / University of the Western Cape, pp. 47–76.
- Schmidt, Siegmard, 1992: *Die Rolle der schwarzen Gewerkschaften im Demokratisierungsprozeß Südafrikas*, Hamburg: Institut für Afrikakunde.
- Schmidt, Siegmard, 1996: »Südafrika: Demokratisierung als Verfassungsgebung«, in: Merkel, Wolfgang / Sandschneider, Eberhard / Segert, Dieter (Hg.): *Systemwechsel Bd. 2. Die Institutionalisierung der Demokratie*, Opladen: Leske & Budrich, S. 341–380.
- Venter, Lester, 1997: *When Mandela goes*, London et al.: Doubleday.