

# South Africa needs a fresh approach to its stubbornly high levels of inequality

By [Edward Webster](#)

14 Dec 2017

It is widely accepted that South Africa is one of the [most unequal](#) societies in the world - the top 10% of the population earn about 60% of all income and own 95% of all assets. But there are significant and critical gaps in the understanding of how this inequality is produced, and the systems of power that support its reproduction.



© prazis – [123RF.com](#)

There has been no significant reduction in inequality in post-apartheid South Africa. At the start of the 1990s, South Africa had the [highest Gini coefficient](#) of all 57 countries for which there were data at that time, at 0.66. South Africa remains one of the world's most unequal countries: estimates vary depending on the measurement used, but [recent calculations](#) show the Gini coefficient for income remaining at 0.66 in 2015. The Gini coefficient is a measure which reflects levels of inequality, where 0 is absolute equality, and 1 is absolute inequality. Importantly, the Gini coefficient has historically been focused on income and not on assets and wealth.

Excellent research has been done on poverty in South Africa, including an emerging field of technical research that measures the magnitude of inequality. But we believe that the time has come for a new approach. This is based on insights from emerging scholarship that's highlighting the confluence of how different systems of power shapes inequality. Of particular importance in South Africa is the nexus of race, class and gender in driving inequality.

To grapple with the multi-dimensional nature of inequality in all its forms, an interdisciplinary approach is required. To this end the University of the Witwatersrand in Johannesburg has launched [a new centre](#) to drive a five-year, inter-disciplinary project on inequality. The project, the first of its kind in the global South, includes approximately 80 researchers from a number of universities across South Africa as well as other research entities from the global South.

A research agenda on inequality that is rooted in the south is long overdue given that countries share a range of common problems within the global economy. By drawing on the intellectual resources in South Africa and beyond, we hope to bring new knowledge, new insights and new policies to overcome the challenge of inequality. The Centre will be drawing on academic excellence of economists, historians, educationalists, sociologists, legal academics, healthcare researchers and a range of other disciplines to build the most comprehensive picture of inequality in the South.

## Gender, race and class - questions of power

Gender inequality in wealth and income continues to be pervasive in South Africa. Significantly, black women continue to carry the burden of low-paid work. In 2015, there were 1.1 million domestic workers in South Africa, 887,000 of them women, who earned less than R3,500 [per month](#).

In community services, 1.2 million workers, of which approximately 800,000 are women, [earn less than R3,500 per month](#). There are significant differences in the burden of care work and unpaid domestic work which falls predominantly on women. This is all in addition to the class and gender inequalities in unpaid work.

It's important to understand that economic inequality is only one manifestation of how patriarchal power shapes economic, social, sexual and political relations. Research has begun to both quantify the impacts of the intersection of power and gender, and to understand the dynamics. But much more work is necessary.

Class is growing as an important lens through which to understand the dynamics of inequality. Evidence from a 2012 [study](#) showed that intra-race inequality (inequality between members of the same race group) had exceeded inter-race inequality (between race groups). In 2008, income inequality among black South Africans was higher than in any other race group.

In 1993, [inequality within race groups](#) accounted for 48% of overall inequality. By 2008 this had increased to 62%. It is significant that inter-racial inequality had decreased markedly, and it must be established if this trend has continued into this decade.

This points to the growing importance of a class-based approach to understanding inequality, in addition to a racial approach. This suggests not a declining significance of race - inter-racial inequality remains unacceptably high - so much as the growing importance of class. This has important implications for the way we understand ownership and control of assets and income, as well as access to economic and social opportunities.

## Wealth inequality

Researchers investigating poverty and inequality in South Africa have had access to excellent poverty and income inequality. But very little has been written about the extent and dynamics of wealth inequality.

The wealth factor has attracted increasing attention since the seminal contribution by [Thomas Piketty](#). While income inequality examines the share of income that goes to different sections of the population, wealth inequality looks at the distribution of assets.

A recent insightful paper by economist [Anna Orthofer](#) is the first significant investigation into wealth inequality in South Africa. The author used previously unpublished personal income tax data from the South African Revenue Service for the 2010-11 tax year.

Her results are striking. They underscore the importance of the distribution of wealth in any study of inequality. She found that while the top 10% of the population earn 56%-58% of all income, they own approximately 95% of all wealth. And 80% of the population own no wealth at all.

These findings show that the country has made little progress in addressing wealth inequality. In 1970 the richest 20% of the population was [estimated](#) to own 75% of all wealth. A focus only on income inequality misses the highly skewed accumulation of assets which arises out of the country's apartheid past.

## **More effort needed**

There's much more research that needs to be done to understand the dynamics of wealth inequality in South Africa and the relationship between wealth, political and social power. Our argument is that while technical solutions to addressing inequality are very important, they will not be politically feasible unless the social and political forces driving high levels of inequality in South Africa are clearly understood.

We argue that it is vital to identify the social forces both inside and outside the state that could build a broad coalition against inequality. This requires an understanding of power that goes beyond the power to control markets. We need to understand how power manifests in structural and institutional exclusion and discrimination.

We believe the [Southern Centre for Inequality Studies](#) will be enormously beneficial in understanding inequality. It is not just a South African study. The idea of a Southern Centre means that we are placing our own country in the realm of Southern countries who face very similar challenges on inequality. It also allows us to broaden our research pool to a wider group of academics who are currently grappling with different aspects of this very important issue.

## **ABOUT THE AUTHOR**

Edward Webster is professor emeritus, Society, Work and Development Institute, University of the Witwatersrand.

For more, visit: <https://www.bizcommunity.com>