

## The same landscape

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More than six years have passed since the dawn of democracy, which promised to reverse the legacy of racial capitalism. The country's new leaders adopted, in 1996, a "home-grown" version of the World Bank's notorious Structural Adjustment Programs (SAPs). Known as the Growth, Employment and Redistribution (GEAR) Strategy, this policy promised economic redistribution predicated on tight fiscal discipline and high national growth rates.

Five years later, GEAR has failed to meet any of its social development promises and many of its fiscal promises. While GEAR promised to create 1.3-million new "formal, non-agricultural" jobs by 2000, the formal economy has shed more than 500,000 jobs for a net five-year job loss of 228,000<sup>1</sup>. At the same time, the poverty gap has grown, with the richest 20% of all South Africans earning 52.5% of total household income while the poorest 20% earn only 3.1%<sup>2</sup>. Neo-liberal policy interventions have ensured that the legacy of apartheid continues virtually intact in rural South Africa, where more than 19-million South Africans continue to eke out a living on land they cannot yet call home.

### State policy

The South African Constitution—drafted through multi-party negotiations in 1990-1993, and finalised in 1995—is hailed as one of the world's most liberal constitutions for its strong focus on the provision of socio-economic rights.

The early years after 1994 were largely spent building the institutions that would oversee the transformation from apartheid and monitor implementation of government programs targeting constitutional imperatives.

The first official policy that emerged was the "pro-poor" Reconstruction and Development Program (RDP), which set delivery targets for all key socio-economic portfolios. Although the government still claims to be guided by the RDP, it is widely accepted that this policy was abandoned in 1996 following the adoption of GEAR, which replaced the emphasis on state-led development with a focus on market liberalisation. The government promised that GEAR would enable the market to correct the imbalances created by colonialism and apartheid.

### Rural poverty, GEAR and asset redistribution

Poverty in South Africa is predominantly a rural phenomenon. Approximately half of all South Africans are poor, but in rural South Africa—home to about 48% of the country's 45-million people—at least 71% of people are classified as poor, compared with 29% in urban areas<sup>3</sup>. About 86% of the best land is still held by 60,000 white farmers, while the remaining 14% of mostly poor-quality land is occupied by about 17-million blacks. The average black landholding is 1.3 hectares, compared with the white average of 1,570 hectares<sup>4</sup>.

### Land reform promises and pitfalls

In 1994, the government introduced a three-pronged land reform program of restitution, redistribution and tenure reform. Nearly seven years later, these policies have barely managed to redistribute 1% of land to black people, despite an RDP promise to redistribute 30% of agricultural land by 1999. Tenure reform has not made much better progress. New laws drafted to protect the rights of farm dwellers (farm workers and labour tenants) are bogged down in compromises made to white landowners.

New land reform policies introduced in 1999 promise to virtually abandon the pro-poor focus of earlier policies in favour of the creation of a class of elite commercial African farmers. Most landless blacks would be excluded through the requirement of an "own contribution" from people hoping to access state land reform subsidies.

### Water privatisation and cholera

The RDP promised to extend reticulated water supplies to millions of blacks. Unfortunately, the government then adopted a strict new policy on service cost recovery from recipients, and followed this with a GEAR-inspired program to privatise water delivery services across the country. Ironically, some poor communities that enjoyed free water supplies during apartheid were forced to pay for water under the new government.

Inability to pay fees forced many poor people back to a reliance on dirty natural water supplies, which led to a serious cholera outbreak in the eastern seaboard province of KwaZulu-Natal in August 2000. The outbreak subsequently spread to other provinces, infecting about 72,739 people and claiming 147 lives in the first six months<sup>5</sup>. An estimated 50,000 people, mainly poor rural children, die annually from diarrhoea<sup>6</sup>. Many water-borne diseases could easily be prevented through the provision of adequate health care, sanitation and clean safe water supplies.

### HIV/AIDS and the "science" of mysticism

The emergence of a primary healthcare focus after 1994 led to a more intensive ante-natal testing system. This revealed that, contrary to earlier perceptions, South Africa's apartheid-era isolation had not shielded it from the deadly human immunodeficiency virus (HIV). The first shocking HIV infection statistics emerged from KwaZulu-Natal in the mid-1990s, with some areas reporting a 25% infection rate. Today a fairly conservative estimate is that one in ten South Africans are HIV-positive.

1 Statistics South Africa OHS 2000.

2 Unisa BMR 2000.

3 SALDRU, 1994.

4 Deiniger and May, 2000.

5 *The Citizen*, 19 March 2001.

6 *Land & Rural Digest*, January/February 2001.

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Pressure groups working with HIV/AIDS issues began in the mid-1990s to demand free anti-retrovirals for HIV-positive pregnant women and rape victims, projecting that this would prevent about 20,000 new infant infections each month. This proposal elicited a curious two-pronged government response. On the one hand, the health ministry took a strong stand against the pharmaceutical industry, which it argued was profiting from the AIDS-misery of Africa. On the other hand, the government has largely rejected the call for provision of free treatment to pregnant women and rape victims and even closed down civil society projects that offered free treatment at state hospitals.

Opposition to free treatment is not based on cost, but on dissident scientific opinion that rejects the widely held view that HIV causes AIDS. The government's failure to sufficiently fund prevention efforts until some new wisdom can gain credence has ensured that poor HIV-positive people are unable to access treatment; that their newborn children are likely to be infected; and that the confusion mitigates against successful prevention efforts.

Government officials quoted in the late 1990s widened the divide between the government and the AIDS lobby with comments to the effect that saving the babies of AIDS mothers would merely increase the burden on the state.

#### **Labour flexibility and the creation of a black buffer class**

The GEAR macroeconomic strategy is eroding most of the socio-economic transformation promises that led to a negotiated settlement with the apartheid state in the early 1990s. The notion of state-led development has been replaced by promises of an African Renaissance led by the private sector, and delivery priorities have consequently shifted away from the provision of basic needs programs toward the provision of the fundamentals required for private sector expansion.

A key strategy employed by the government to sell this dramatic policy shift includes the creation of a black elite, which it hopes will make the new era of private sector dominance look different from the old days when white business interests propped up the apartheid regime.

Affirmative action and black economic empowerment policies have resulted in many white-owned corporations seeking to "blacken" their management and ownership structures.

A recent study<sup>7</sup> projects that collective black income will outstrip white income for the first time ever in 2001, with blacks now occupying 23% of the wealthiest income spots in the country. The importance of this achievement is, however, dampened by the finding that the black low-income group now contributes less than it did five years ago to national earnings, while black middle-income people have remained static over the same period. This accords with the observations of leading black entrepreneur Cyril Ramaphosa that the country has seen more "black enrichment" than black empowerment.

#### **Conclusion**

The failure of the new government to fundamentally transform South Africa's social and economic landscape since 1994, combined with the country's insertion into the globalising economy at the precise moment of its birth, has ensured the reproduction of the social and economic divisions of the past. The white minority continues to hold disproportionate economic, political and social power over the majority of blacks who remain poor and severely disempowered in the land of their birth.

While racism remains the dominant social dividing line, the growth of a small black elite as the primary beneficiaries of the end of apartheid has sharpened the divide between rich and poor. As the white and black elite divide up the nation's wealth in the country's boardrooms, the masses of people, particularly the poor and unemployed, are turning to narrow nationalist identities to explain their suffering, thus worsening the divide among the country's eleven language groups, and feeding a new xenophobia toward visitors from South Africa's northern neighbours.

As South Africa's leaders have sought to place the country on the world map since 1994, many of its national policies, as well as the growing animosity of its population, are once again leading to a perception of an aggressive powerhouse that seeks to exploit the rest of the continent. n

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<sup>7</sup> Unisa, BMR, 2001.