
SOCIAL AND ECONOMIC INCLUSION IN POST-APARTHEID SOUTH AFRICA

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Introduction

South Africa's democracy is founded on one of the noblest constitutions in the world. Forged against the backdrop of struggle and dispossession, it not only enshrines political freedom, but also sets itself apart in terms of the provision that it makes for the material dignity of the country's people. The state is obliged to 'respect, protect, promote and fulfil the rights' of everyone in the country (Constitution of South Africa 1996: Section 7(2)). This is as true of economic freedom as it is for political liberty. Yet, the former has been more challenging to achieve than the latter.

Since the country's political transition, much of the state's efforts, and those of other social partners, have been devoted to devising policies and programmes that seek to bring to life the ideals of human dignity, non-racialism and non-sexism, universal adult suffrage and a prosperous nation. Development, in a nutshell, has been the *raison d'être* of the post-apartheid state. The public policies and legislative interventions that have been implemented since 1994 can be said to have been deliberate attempts to broaden the concept of liberty to include human development and socio-economic justice.¹

However, as protests in democratic and non-democratic countries alike over the past year have shown, states are increasingly challenged by their citizens if their founding objectives become deferred to the point that ordinary people lose faith in the likelihood of them being realised. For this reason, among others, it remains fundamentally important to track change and to be transparent about progress or lack thereof. In the absence of critical assessment that reflects reality, people lose faith because their plight comes to be perceived as unacknowledged and unimportant.

This article explores South Africa's progress in advancing human development, especially for the previously disadvantaged and those groups that often bear the brunt of poor performance by the government, the economy and society broadly. The analysis also reflects, given what the data suggests, on the much-debated issue of whether South Africa is a developmental state or not. The article uses the latest available developmental statistics to tell the story. The statistics presented and discussed below are unambiguous in showing that despite significant progress on certain scores, socio-economic development in South Africa is highly unequal. It benefits those that have always been at a structural advantage, and

condemns the majority of the historically marginalised to lives that are still far removed from the promise of material dignity contained in the Constitution. Essentially, poverty remains very high and, along with underdevelopment, largely biased towards the country's black population group.

The various indicators and indices presented confirm that race, gender and spatiality have not been sufficiently redressed. Indeed, as observed by Borat and Van der Westhuisen (2010), little progress has been made in South Africa as far as eradicating household poverty is concerned. For example, the black population group is still, on average, worse off in all the measures of human development, and in relation to human poverty. Women bear a disproportionate load. Rural areas continue to have lower Human Development Index (HDI) scores and higher Human Poverty Index (HPI-1) scores. Also, the findings imply that the government has not yet succeeded in ensuring a more egalitarian society. In essence, the conclusion reached is that remnants of South Africa's unfortunate political history are still prevalent in the country's poverty and human development dynamics.

Methodology

These findings and the discussion below are based largely on the National Income Dynamics Study (NIDS), which is a nationally representative household survey that was conducted in 2008.² The NIDS is intended to become a longitudinal dataset with revisits to the sampled households every two years – the households visited in 2008/9 were visited again in 2010/11. The NIDS, importantly, allows for the calculation of various significant estimates that other datasets do not readily allow for. For instance, for the first time ever, South Africa would have HDIs by income quintiles. The NIDS dataset also permits an estimation of comparative human development and poverty across subgroups, as well as the calculation of relative human development at different points in the income distribution – something that has not been done in South Africa before. However, like most datasets, there are caveats. In particular, the Indian subsample is relatively small and likely to be imprecise for any inference specifically focused on this population group; hence, the focus of this analysis is largely on the black and white population groups.

This article focuses on two primary indicators to state its case. Besides the standard measures of poverty, human

development is measured through the HDI, which is calculated by first creating an index of all three dimensions (life expectancy, education and income). The second indicator is the HPI, which was introduced in 1997 in an attempt to build a composite index from the different features of deprivation in quality of life to arrive at an aggregate judgment on the extent of poverty in a community. The HPI is calculated separately for developing and developed countries to better reflect socio-economic differences. For developing states, the annotation HPI-1 is used to distinguish the poverty measurements from those of the developed states that are measured in terms of HPI-2. South Africa falls in the former category.

Human development indicators

The HDI has three components: longevity, knowledge and income (Haq 1995, in Fukuda-Parr & Kumar 2003). In essence, it is a synopsis of a country's human development, and combines statistics on life expectancy, education and income. With regard to the HPI-1, Anand and Sen (1994: 229, in Fukuda-Parr & Kumar 2003) indicate that 'both [the HDI and the HPI] have to use the rich categories of information that are associated with human development: characteristics of human lives and the quality of living that go much beyond what income information can provide'.

In summary, therefore, human development is the process of enlarging people's choices and raising their levels of well-being. Sen (1993: 35) describes well-being as a 'person's being seen from the perspective of her own personal welfare'. The pursuit of human development in South Africa, therefore, is about seeking improvement in the quality of life of the people of this country. The human development measures are better placed to capture the desired improvement in quality of life. There is ongoing work to improve human development and human poverty measures, because the HDI and gross domestic product (GDP), in particular, have been recognised as falling short in comprehensively quantifying 'human progress'.³ That said, the HDI and HPI-1 remain useful measures of human development. Unlike conventional poverty indicators that focus narrowly on household income or consumption data, the various components of the HDI and HPI-1 indicate progress in the various social and economic indicators.

The major thrust that underpins HDI and HPI-1 calculations is life expectancy. The estimated life expectancy rates and probabilities of South Africans living to the ages of 3, 40 and 60 years are reported in Table 4.3.1. The estimates show that, on average, South Africans live up to the age of 50 years. Women live, on average, three years longer than men do and have an average life expectancy of 51 years compared to 48 years for men. There may be various reasons for this. It could be ascribed to the fact that women generally live much healthier lifestyles than men. Women are, for example, less likely to engage in life-threatening behaviour (smoking, crime, car racing, etc.) than are men. The data further suggest that

Table 4.3.1: Estimates of life expectancy – national, gender-, race- and province-specific estimates

	Life expectancy (years)	Prob. (not 3) (%)	Prob. (not 40) (%)	Prob. (not 60) (%)	N
Total	49.5	7.9	38.8	65.8	28 845
Male	47.8	10.3	37.1	69.1	13 311
Female	51.1	5.6	40.2	63.3	15 534
Black	45.2	9.0	44.7	73.4	22 318
Coloured	62.4	1.6	14.6	44.7	4 519
Indian	76.5	0.0	0.0	28.6	495
White	74.1	0.0	14.5	16.7	1 513
Western Cape	59.1	2.4	20.7	41.9	3 680
Eastern Cape	50.1	2.9	31.7	69.4	3 711
Northern Cape	53.0	2.6	38.7	61.7	1 972
Free State	38.8	17.8	53.7	75.9	1 694
KwaZulu-Natal	37.2	9.1	69.1	88.8	8 155
North West	51.2	11.9	36.3	60.7	2 374
Gauteng	62.5	5.6	14.5	49.4	2 638
Mpumalanga	45.1	16.0	58.2	65.3	1 915
Limpopo	52.9	8.0	26.2	54.4	2 706
Poorest 20%	39.6	7.7	57.2	84.2	5 652
20–40% poorest	45.8	5.4	51.87	74.5	5 650
40–60% poorest	44.5	7.0	46.25	77.8	5 653
20–40% richest	51.2	12.6	29.33	60.4	5 653
20% richest	64.9	11.1	24.05	39.9	5 647

Source: Author's calculations, based on NIDS 2008



It is a persuasive argument that the legacy of apartheid remains profound and/or that the government (perhaps understandably) has not succeeded in redressing racial inequalities.

males are also almost twice as likely to die within the first year of their lives than are their female counterparts.

Given the inequalities in South African society, the country's developmental story cannot be told without referring to the differential development of its constituent groups that historically have been categorised by race and geographic location.

In this context, black people have the lowest life expectancy rate of all population groups. On average, black people live for 45 years, while coloured and white people live for 62 and 74 years, respectively. The estimate for Indians is imprecise for the reasons given above. The urbanised provinces of Gauteng and the Western Cape have higher life expectancies; Gauteng with 63 years followed by the Western Cape with 59 years. There is substantial variation among the other provinces, such as KwaZulu-Natal and the Free State, with the lowest life expectancies at 37 and 39 years, respectively. The highest child mortality rate – children not living beyond the age of 3 years – occurs in the Free State (18 per cent), followed by Mpumalanga (16 per cent). KwaZulu-Natal has relatively lower child mortality rates, but 70 per cent of the population do not live beyond the age of 40 years. The mortality patterns in KwaZulu-Natal and the Free State have been ascribed largely to a significantly higher incidence of HIV/AIDS in these provinces.

Progress in education is measured by two statistics: adult literacy rates and gross school enrolment (for primary, secondary and tertiary education). As Table 4.3.2 shows, almost 10 per cent of adult South Africans cannot read. Illiteracy amongst women is 2 percentage points higher than amongst men, and is more prevalent in the black group than the other population groups. Limpopo and KwaZulu-Natal have the highest illiteracy rates, followed by the Eastern Cape, the Northern Cape and the North West. Gauteng (3.5 per cent) and the Western Cape (4.3 per cent) find themselves at the other end of the spectrum. Another striking feature of this data, of course, is the concentration of illiteracy amongst the poorest South Africans.

In addition to education, measurement of the access component of poverty includes basic amenities such as clean drinking water and the weight of children. Again, similar patterns reveal themselves. As Table 4.3.3 indicates, about 7 per cent of all South Africans rely on springs, streams, pools or dams for household water. Black people are by far the most likely to lack access to improved water sources. The backlog is most severe in the Eastern Cape, where 23 per cent of South Africans live without an improved water source, and KwaZulu-Natal (14 per cent). With regard to the weight

Table 4.3.2: Estimated literacy and illiteracy rates for all adults

	Adult literacy rates (%)	Adult illiteracy rates (%)	N
Total	90.6	9.4	18 630
Male	91.9	8.1	8 124
Female	89.4	10.6	10 506
Black	88.8	11.2	13 988
Coloured	92.6	7.4	3 048
Indian	93.8	6.2	366
White	99.7	0.3	1 228
Western Cape	95.7	4.3	2 657
Eastern Cape	87.1	12.9	2 287
Northern Cape	87.6	12.4	1 317
Free State	93.4	6.6	1 141
KwaZulu-Natal	85.6	14.4	4 861
North West	87.3	12.7	1 556
Gauteng	96.5	3.5	1 928
Mpumalanga	90.9	9.1	1 234
Limpopo	85.5	14.5	1 649
Poorest 20%	86.9	13.1	3 273
20–40% poorest	86.0	14.0	4 059
40–60% poorest	87.6	12.4	4 310
20–40% richest	91.2	8.8	4 073
20% richest	98.5	1.5	2 915

Source: Author's calculations, based on NIDS 2008

of children, Body Mass Index (BMI) results show that under-nourishment amongst children aged 5 years and younger is a particular problem for the coloured group (14 per cent). Black and white children, with 8 per cent and 7 per cent, respectively, measured to be underweight, are less at risk. Girls are more than twice as likely to be underweight than boys. The Northern Cape and Mpumalanga have the highest rate of underweight children, while KwaZulu-Natal has the lowest rate, at just 5 per cent.

Human development and poverty

Calculations based on NIDS give an aggregate national HDI of 0.69 for 2008. Again, it makes more sense to break down the aggregate figures into constitutive groups. While there is little gender distinction in terms of HDI scores for women and men, there is a distinct racial pattern. Black South Africans recorded the lowest HDI score at 0.63, compared to that of the white group at 0.91. As such, the human development of black South Africans is more or less on a par with aggregate scores of countries like Bhutan. White South Africans, conversely, enjoy development standards that are comparable to the levels of Cyprus and Portugal. Table 4.3.4 shows estimates of the HDI and the HPI-1.

Gauteng, the most industrialised of the country's nine provinces, has the highest average HDI and KwaZulu-Natal the lowest. At 0.81, Gauteng can be compared to countries like Turkey and Mauritius, while KwaZulu-Natal with 0.60 would rank next to Congo.

There is a finding that requires further reflection: income poverty, the data implies, is not the only cause of human poverty. As Table 4.3.4 indicates, the HPI-1 is higher on average in KwaZulu-Natal than the average for the poorest 20 per cent of households, which suggests that households in KwaZulu-Natal experience lower human development on average than can be expected from provinces with a comparable income status. The HDI of the white group (and of Indians) is better than the average for the richest 20 per cent of all South Africans, which suggests that there are factors in addition to household income that determine inter-racial differences in human development and which are probably captured in much lower life expectancy rates for black South Africans. In this context, it is a persuasive argument that the legacy of apartheid remains profound and/or that the government (perhaps understandably) has not succeeded in redressing racial inequalities.

Table 4.3.3: Access to safe drinking water and child nutritional status

	Share of population lacking access to clean drinking water (%)	Share of under-5s who are underweight (BMI) (%)
Total	6.7	8.2
Male	6.3	4.7
Female	7.1	11.5
Black	8.4	7.7
Coloured	0.7	13.5
Indian	0.0	10.0
White	0.0	6.7
Western Cape	0.2	8.8
Eastern Cape	23.1	9.4
Northern Cape	0.2	12.6
Free State	0.0	6.8
KwaZulu-Natal	13.7	4.9
North West	0.3	9.4
Gauteng	0.0	9.0
Mpumalanga	0.4	12.5
Limpopo	6.0	8.5
Poorest 20%	14.0	9.3
20–40% poorest	11.9	9.1
40–60% poorest	4.4	7.1
20–40% richest	2.3	8.3
20% richest	0.9	5.2

Source: Author's calculations, based on NIDS 2008

State capacity and organisation are arguably the primary constraints to South Africa becoming a fully fledged developmental state.



South Africa as a developmental state

Given the ongoing debates about South Africa as a developmental state, this subsection presents preliminary conclusions drawing from the aforementioned findings. An analysis of the extent to which the South African state is indeed developmental has significance, because it has on numerous occasions indicated that it is pursuing such a model.⁴ It is useful to examine the notion of a developmental state comparatively, hence some reference to India, Brazil, Botswana and Mauritius – countries that are broadly viewed as (emerging) developmental states.

This article defines a developmental state in terms of its institutional attributes, objectives and capacity to deliver on economic growth and human development. The working definition used here is that a developmental state 'is active in pursuing its agenda, working with social partners, has the capacity and is appropriately organized for its predetermined developmental objectives' (Gumede 2011: 180). Examining the various aspects of a developmental state encapsulated in this definition, South Africa is not yet a developmental state.

State capacity and organisation are arguably the primary constraints to South Africa becoming a fully fledged developmental state. The slow progress towards effectively reducing poverty and expanding human capabilities may be attributed largely to poor state capacity. State capacity can be conceptualised on four dimensions: ideational, political, technical and implementational (Cummings & Nørgaard 2004). Ideational capacity refers to the degree to which the state (its actors, role and policies) is legitimated and embedded in state institutions. Political capacity refers to the effectiveness of state institutions. Technical capacity involves an understanding of the policy context and the ability to devise policy options for a particular policy challenge. Implementational capacity entails the technical know-how for a particular policy action that has to be undertaken to implement a programme. Mkandawire (2001), on the other hand, emphasises the importance of the 'ideology-structure nexus' for a state to be considered developmental. He differentiates between two core components of such states: the ideological and the structural. It is a matter of debate whether the South African government is appropriately organised/structured for its predetermined developmental objectives.

As presented above, findings on human development and human poverty suggest that South Africa has made some headway in terms of improving its HDI score, peaking at 0.69 in 2008. There has been a downward slide, however, and the country recorded a far lower 0.61 in 2011.⁵ The country's performance, therefore, has been inconsistent and is vulnerable to external shocks. It is against the background of this vulnerability that South Africa, arguably, should be classified as a 'developmental state in the making'. In other words, although the country still has some way to go in this regard, it has some key attributes of such a state, which, if strengthened, could see it emerge fully as one.

Table 4.3.4: Estimates of the Human Development Index and the Human Poverty Index

	HDI	HPI-1
Total	0.691	27.1
Male	0.693	25.8
Female	0.689	28.2
Black	0.630	31.2
Coloured	0.752	10.9
Indian	0.886	5.0
White	0.914	10.1
Western Cape	0.760	14.4
Eastern Cape	0.646	23.4
Northern Cape	0.695	27.2
Free State	0.630	37.3
KwaZulu-Natal	0.599	48.1
North West	0.677	25.5
Gauteng	0.806	10.2
Mpumalanga	0.676	40.4
Limpopo	0.677	19.3
Poorest 20%	0.488	40.0
20–40% poorest	0.563	36.3
40–60% poorest	0.586	32.9
20–40% richest	0.675	22.2
20% richest	0.868	17.3

Source: Author's calculations, based on NIDS 2008

At this stage, however, the country needs to make more gains, faster. In a broad, comparative context, South Africa is lagging behind its peers. HDI scores in the *2011 Human Development Report* show that the country, with its score of 0.61, trails other modern or emerging developmental states, such as Brazil (0.71), Botswana (0.63) and Mauritius (0.72). Although the HDI score for India, another of South Africa's developmental peers, is even lower at 0.54 in 2011, this represents a significant 21 per cent gain on the 0.387 it recorded in 1999 (UNDP 2011). One possible explanation for South Africa's lagging behind its peers is that the country's economy has not expanded to the same degree as those of Brazil, India, Mauritius and Botswana. Another important feature of these economies has been that they have managed to reduce income poverty and income inequality at a much faster rate. Both scenarios relate to the monopolised structure of the South African economy, with its strong dependence on the resource-export and financial sectors and its exceptionally high levels of unemployment. The transformation of the South African economy has been slow and, consequently, it has failed to create a sufficient number of jobs. Obviously, context-specific policies in particular countries account for some of the differences in economic and developmental outcomes, but it is possible to implement such policies more easily in environments where there is greater cohesion between major policy stakeholders.

Concluding remarks

South Africans today enjoy not only the benefits of political freedom but, on average, a better standard of living. However, statistics can be misleading if not properly interrogated. Deeper analysis reveals the discomfiting truth that improvement generally only holds true for South Africa in aggregate terms. As demonstrated above, the immense structural socio-economic inequalities of the apartheid era are still very much alive today.

The findings presented above suggest that – almost two decades into a politically liberated South Africa – it is important to revisit the strategies that have informed our developmental trajectory. If anything, the data appear to demonstrate that the current path is unsustainable. Although some progress has been made in addressing human development and poverty, the pace has been slow and, in both the quantitative and qualitative sense, it has been insufficient. Poverty and inequality remain at intolerable levels.

The analysis underscores two fundamental points, namely that the black population group has the lowest HDI, and that inter-racial differences in HDI continue to be significant. It shows that economic transformation (and consequent social and economic inclusion) has been slow. It is in this context that we cannot yet refer to South Africa as a fully fledged developmental state. For it to be one, state capacity and systems have to be strengthened to the extent that the country's

developmental trajectory becomes less vulnerable to economic fluctuations. Until such time as it consolidates its position on both counts, South Africa will remain a developmental state in the making.

Notes

1. For instance, since 1994, a multitude of legislative and policy instruments have been introduced to improve the situation of targeted groups. These include the Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000, the National Policy Framework for Women's Empowerment and Gender Equality of 2000, the Children's Act 38 2005 (amended in 2008), the National Policy for the Advancement and Co-ordination of Children's Rights in South Africa of 2003, the National Empowerment Fund Act 105 1998, the Integrated National Disability Strategy White Paper of 2000, the National Youth Development Agency Act 54 of 2008, the National Youth Policy 2009–2014 and the Integrated Strategy for the Treatment of HIV and Aids (which has been updated for the period 2008–2012).
2. The NIDS dataset contains information on more than 28 000 individuals in 7 305 households across South Africa, and has detailed information on expenditure, income, employment, schooling, health, social cohesion, etc. (see <http://www.nids.uct.ac.za/home>).
3. Stiglitz, Sen and Fitoussi (2010) contend, for instance, that new and more inclusive parameters for measuring economic growth are critical if countries are to achieve the overall goal of improving the quality of life.
4. The 'declaration' that South Africa wants to be a developmental state is succinctly captured in the revised 2007 Strategy and Tactics document of the ruling party, the African National Congress (see <http://www.anc.org.za/docs/pdf>).
5. It should be noted that the 2008 HDI is not directly comparable with the 2011 HDI, because of the two different sources of data from which the two indices are calculated. That said, it would seem that the various components of the HDI are declining.