

# Redistribution Strategies and Approaches to Drive Transformation and Social Justice in South Africa

*Law, Policy and Social Justice: Taking Economic Equality Seriously*



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1918 2018

3<sup>rd</sup> Annual Social Justice Summit  
*and* International Conference

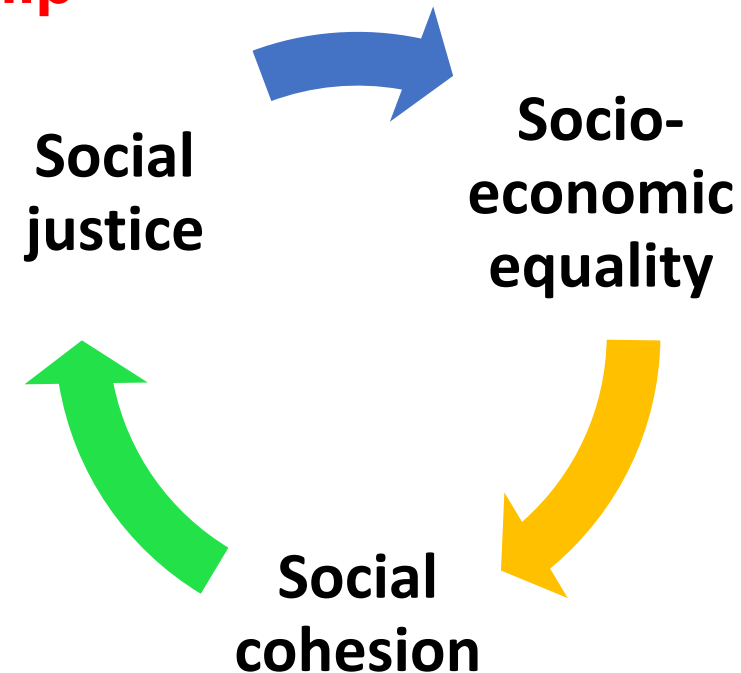
*11-12 October 2021*

1. Social cohesion - a complex phenomena - **between people from different groups** and **between people and the state and its institutions.**

2. Social cohesion depends on:

- The realisation of **socio-economic rights**
- The elimination of all forms of **discrimination**
- A strong sense of **active citizenship**

3. **Inequality** and levels of **violence** are associated – and are the enemy of social cohesion



# Outline

**1. The South African context for social justice – social cohesion and socio-economic inequalities**

**2. What prevents us achieving greater social justice outcomes?**

**3. A few priority recommendations**



The image features a collage of South African flags. The background is composed of several overlapping flag patterns, including the national flag with its characteristic horizontal stripes of red, white, green, and blue, and a yellow and black diagonal stripe. Overlaid on this are large, solid-colored geometric shapes: a large blue triangle on the left, a yellow triangle at the top, and an orange triangle on the right. The text 'THE SOUTH AFRICAN CONTEXT' is written in white, bold, sans-serif capital letters on the blue triangle.

# THE SOUTH AFRICAN CONTEXT

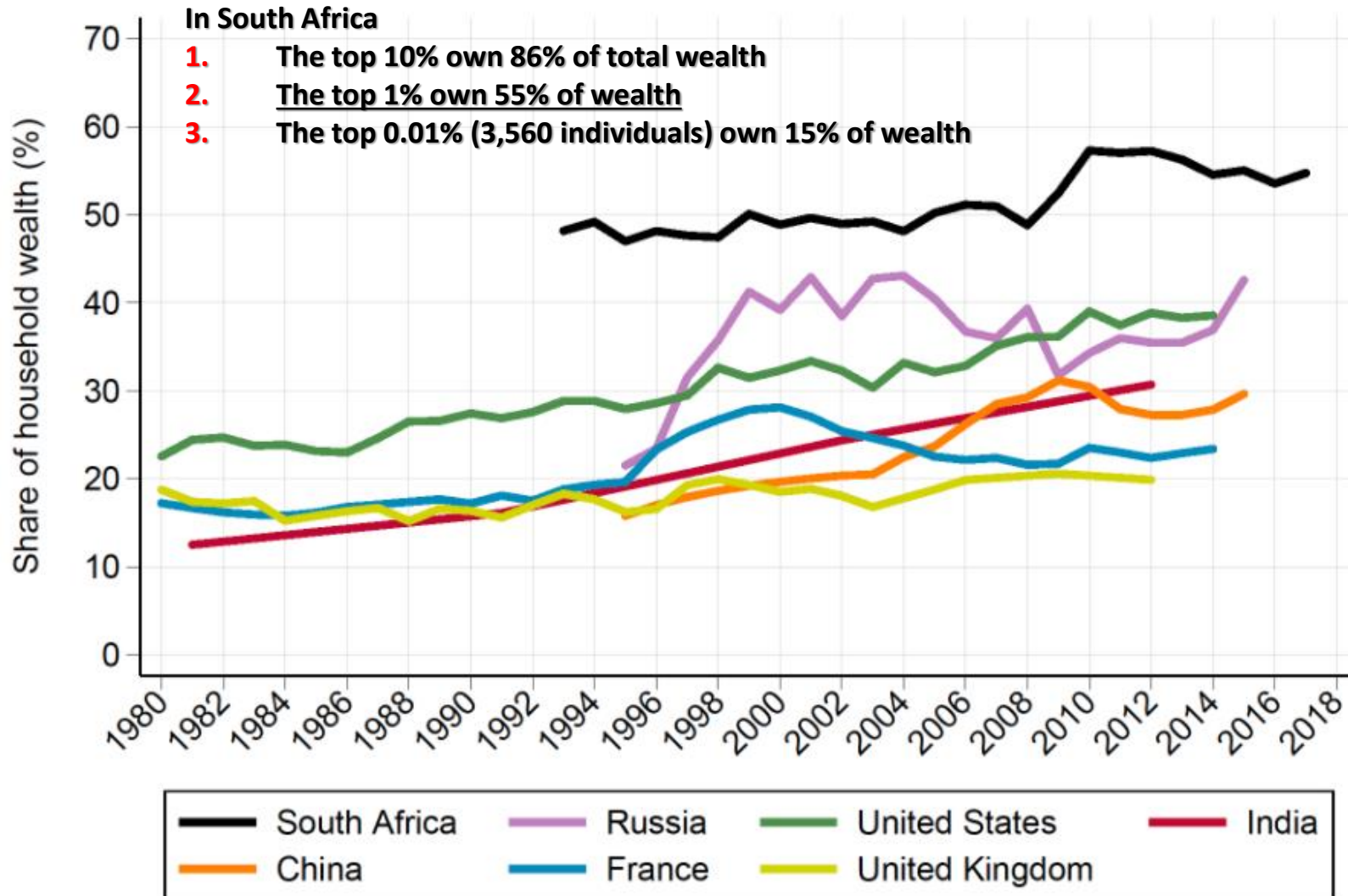


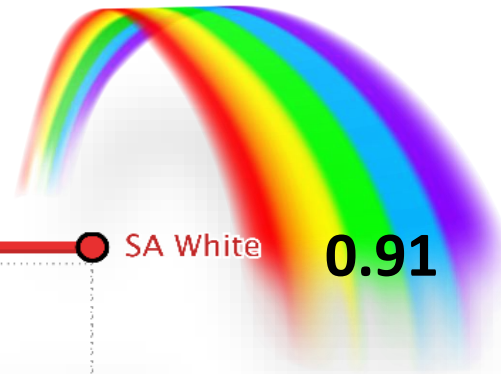
# Inequality



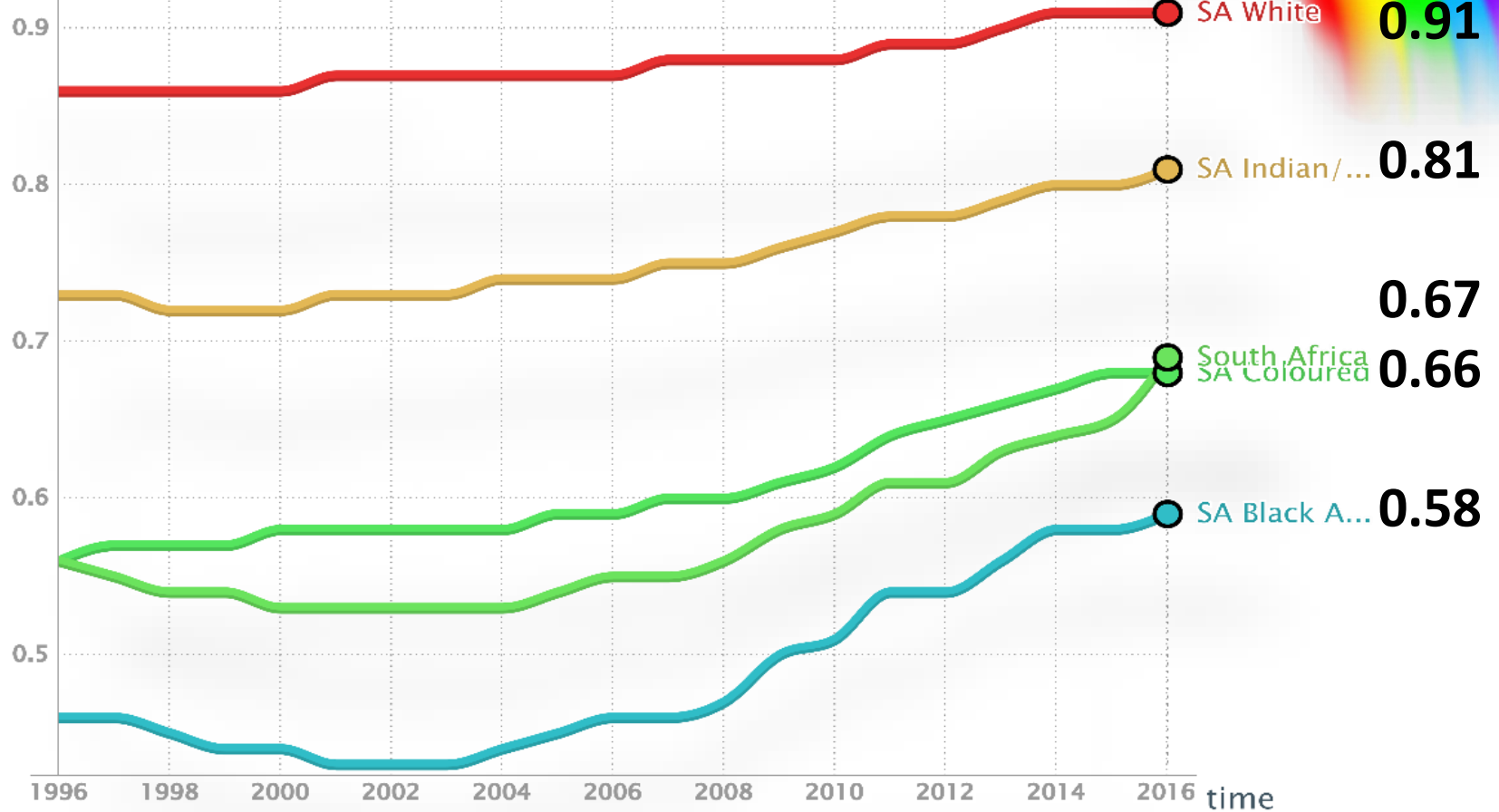
# Inequality: SA v. rest of the world (Source: Chatterjee et al 2021)

**Figure 1** South African inequality in comparative perspective: Top 1% wealth share

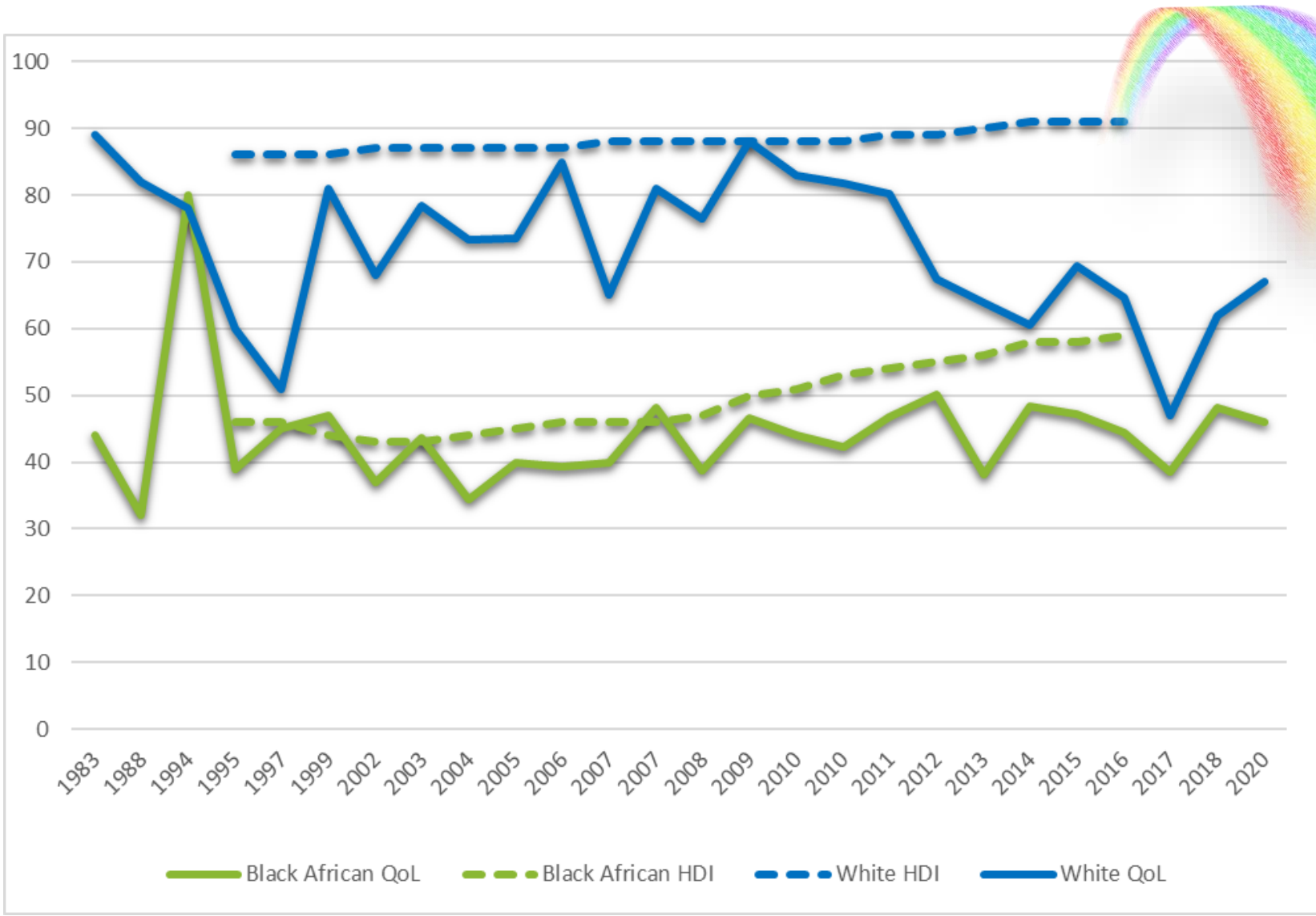




## Human Development Index



# Human Development in South Africa



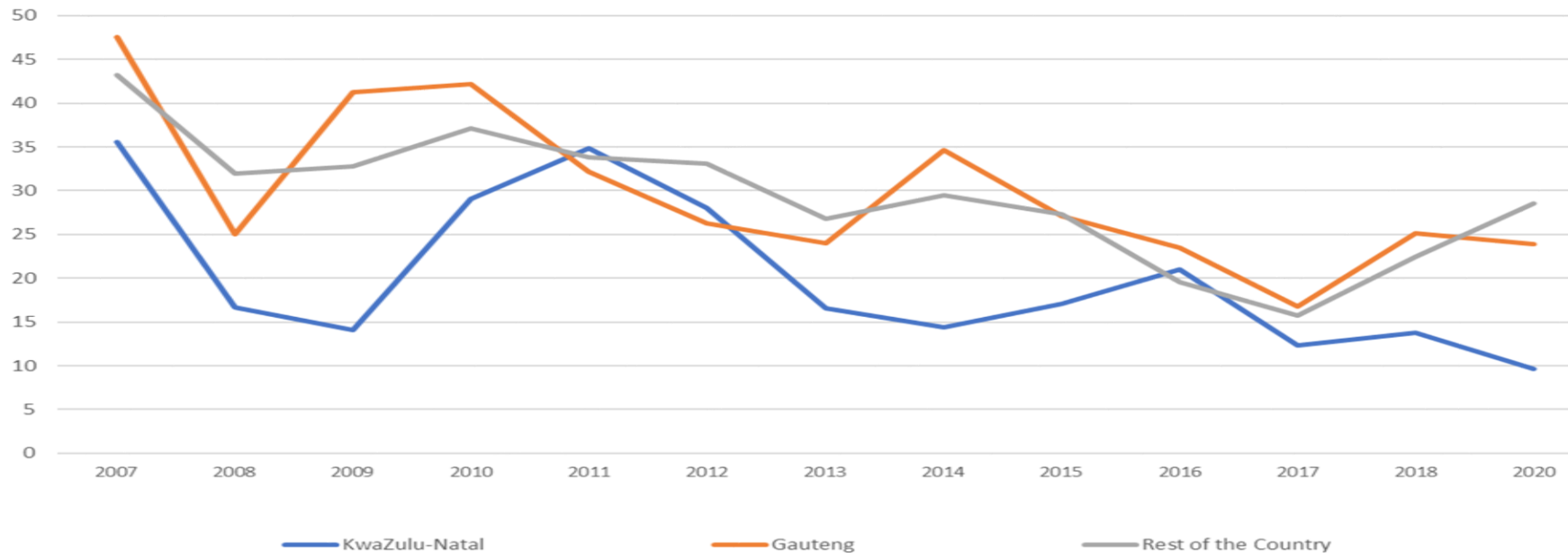
# Quality of Life perceptions versus Human Development in South Africa



# Anger and economic dissatisfaction



# Economic satisfaction and beliefs about redistribution (SASAS: 2007-2020/1)

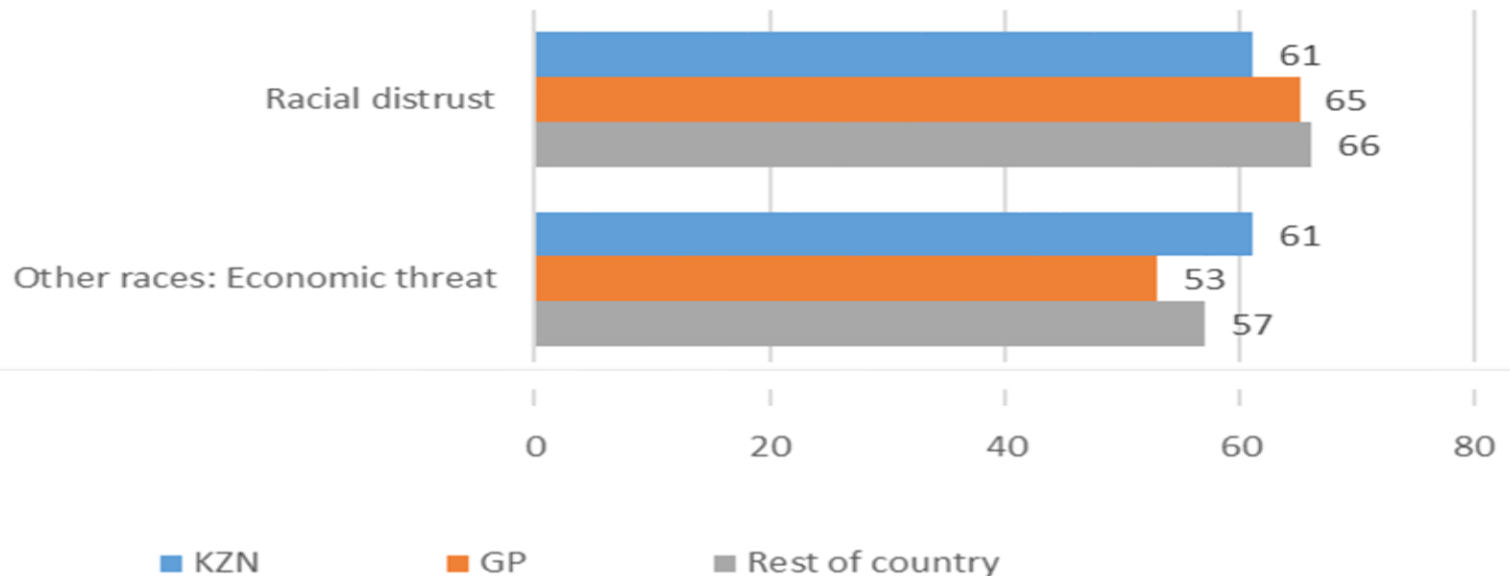


1. Economic satisfaction – dropped from a high of 47% in 2007 to 27% nationally; lowest in KZN at 10% in 2020/21
2. 70% of people believe that income differences between rich and poor are **too large** (2020/21)
3. 60% **demand** redistribution
4. 37% of South Africans are **angry** about income inequality

# **Social cohesion: racial mistrust, xenophobia and violence**



# Racial trust, economic threat (Source: SASAS 2020/21)



1. 2/3 say they distrust people of 'other races'
2. 57% see those from 'other race groups' as an economic threat'
3. Also see 'others' as a cultural threat
4. Fairly consistent across provinces and time.



# A history of outward directed violence...

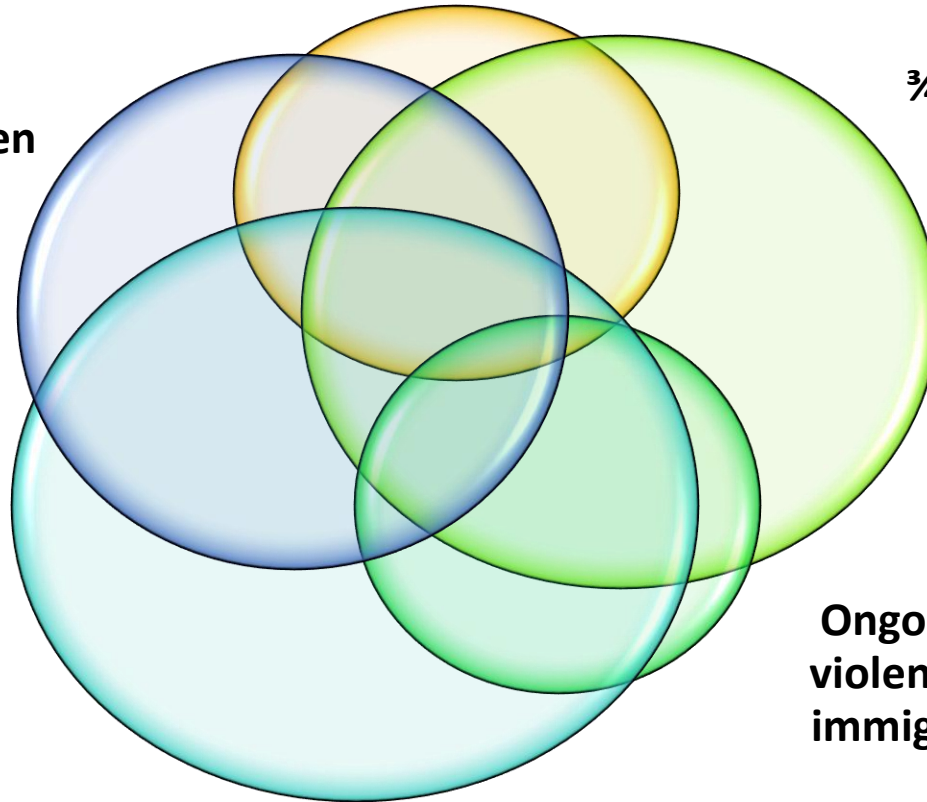
**240,000-400,000 people  
participated in  
homophobic violence  
(2016, TOF/HSRC)**

**Militarily trained men  
(aged 45+)**

**$\frac{3}{4}$  men complicit in  
gender-based  
violence (2016,  
TOF/HSRC)**

**Most violent protests  
in the world –  
increased 9 fold since  
democracy**

**Ongoing xenophobic  
violence – 62% blame  
immigrants for taking  
jobs**





# CRITICAL QUESTIONS TO ASK

Do we  
recognise the  
fragility of our  
social  
compact?

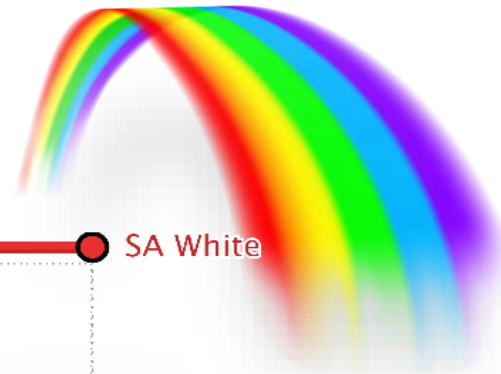




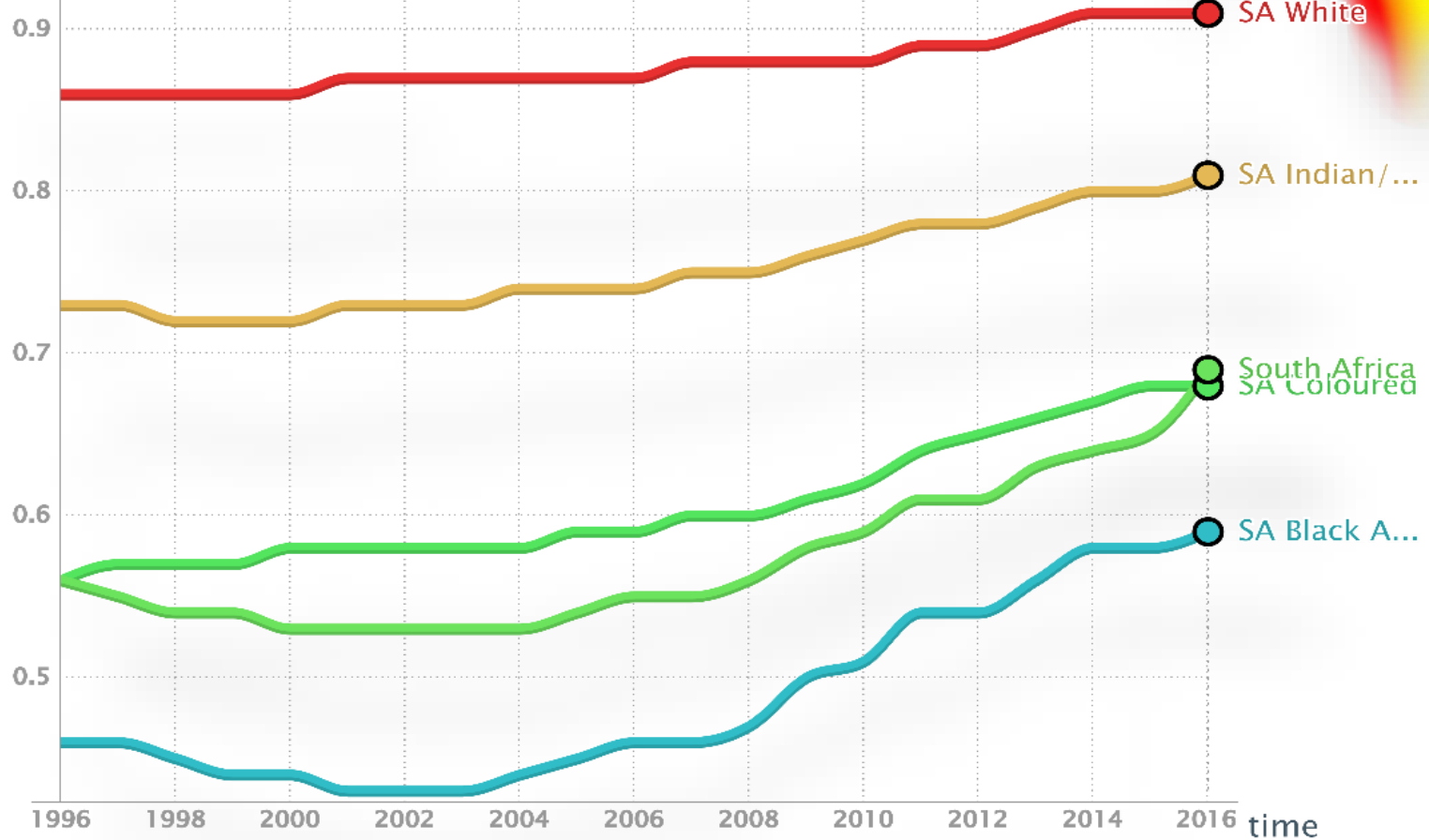
Do we  
recognise our  
current  
achievements?







## Human Development Index




# Human Development in South Africa

Do we have a  
shortage of  
will?



# Views on Restitution

(Source: SASAS 2017)



	<i>Agree</i>	
	Black	White
White South Africans must act to repair the past	60%	20%
Apartheid corruption should be investigated	56%	16%
A restitution tax	43%	8%
Small group discussions about restitution	56%	22%
Forget the past, move on	51%	76%



Do we have a  
shortage of  
confidence in  
govt?





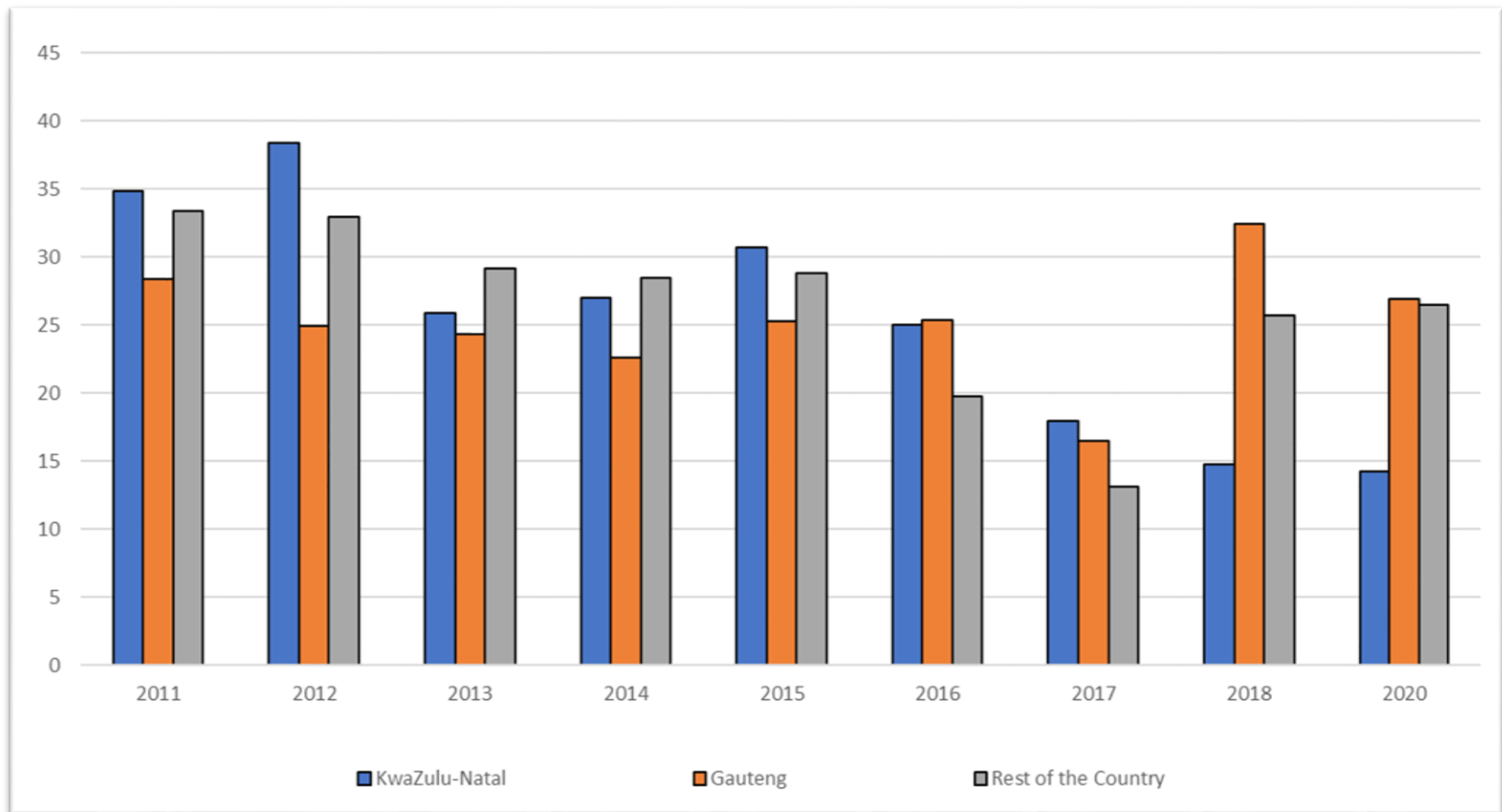
# Satisfaction with democracy (SASAS 2003-2020/1)

- A robust downward trend in satisfaction with democracy in all provinces since the mid-2000s. The upswing following the transition to the Ramaphosa administration is more muted in KZN. Satisfaction in the province fell from 53% in 2005 to an unprecedented low of 19% in 2020/21.



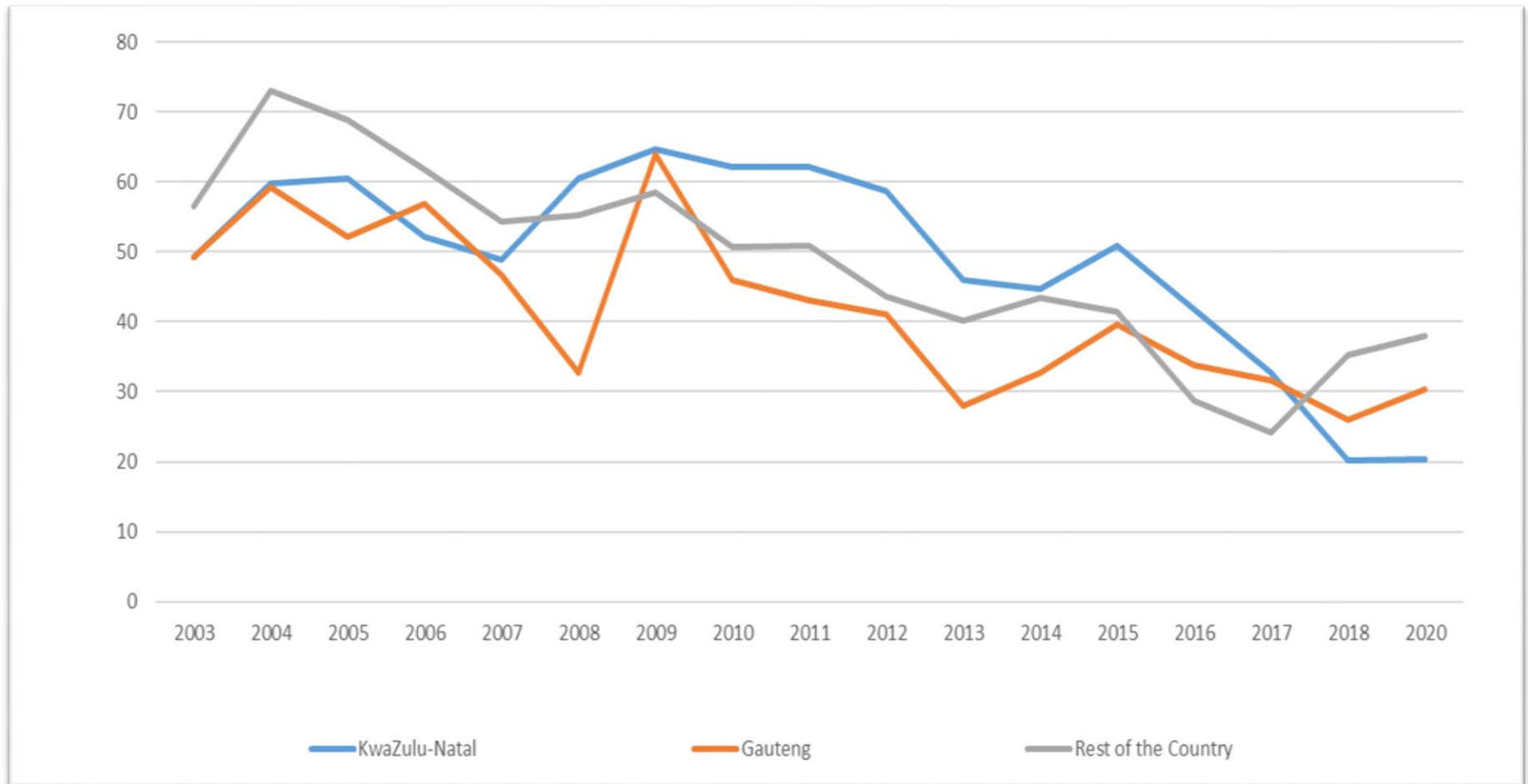
# Confidence in political leadership (SASAS 2011-2020/1)

1. Diminishing confidence in the country's political leaders, reaching a low point in 2017. Low base **33% in 2011 – 26% currently**.
2. Improving under Ramaphosa administration. KZN holds strong hostile view towards political leaders (**KZN - 14% in 2020/21**).



# Institutional trust: Faith in government

South Africans have been losing faith in national government until 2017. In 2020/21 – 38% nationally (from a high of 72%), 20% in KZN and 30% in Gauteng.







A night cityscape with fireworks and a large blue and orange graphic overlay. The city lights are reflected in the water, and the fireworks are exploding in the sky. The graphic overlay consists of a large blue triangle pointing right and a smaller orange triangle pointing left, overlapping the blue one.

**Do we have a  
shortage of  
money?**

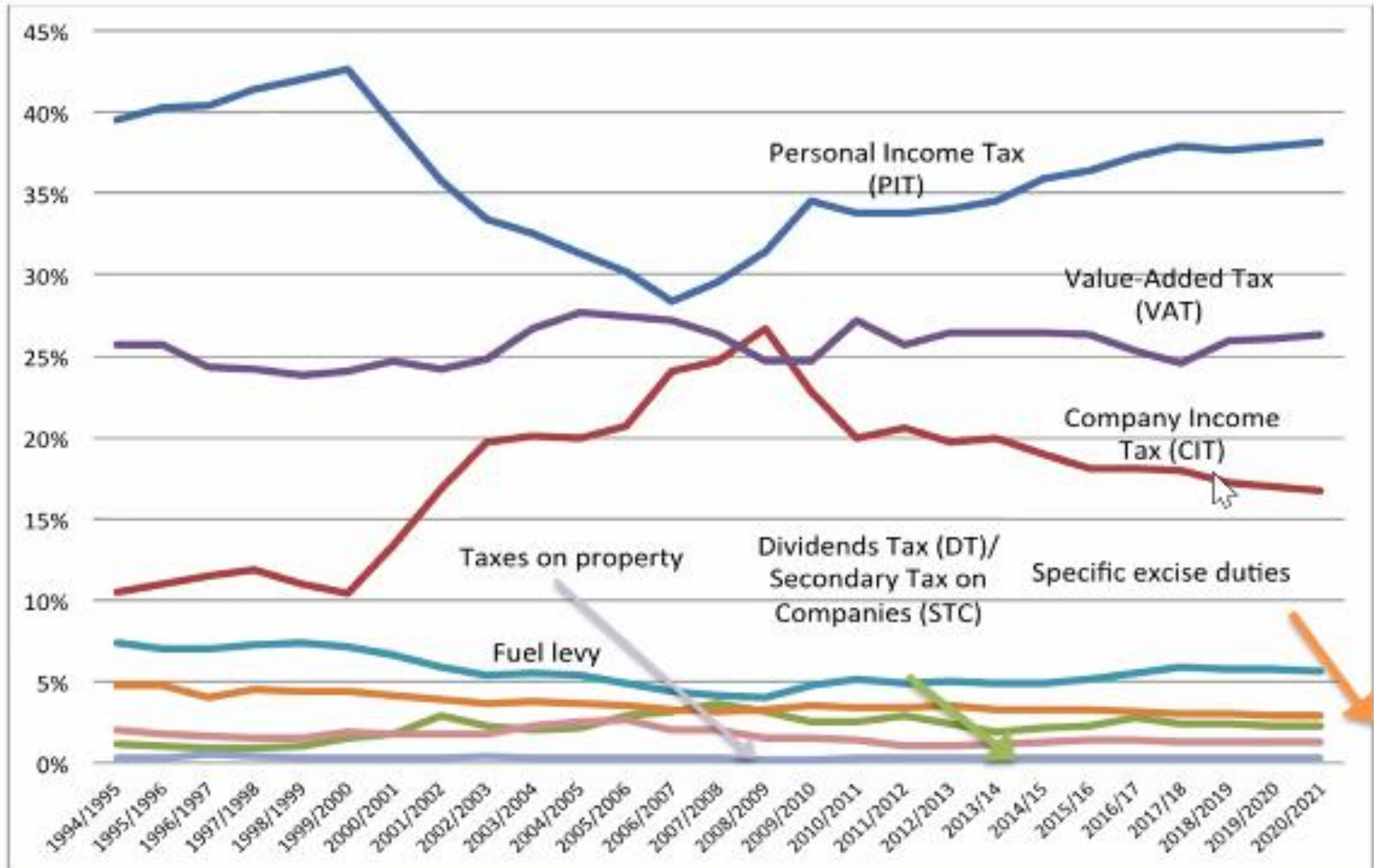


# Assessment of “R500B” relief package use

[Source: Institute for Economic Justice]

	PROMISED	USED	ASSESSMENT
 <b>SOCIAL SECURITY</b>	R50 billion	R43.6 billion	Existing social grants were increased until 31 October 2020 and a new COVID-19 Social Relief of Distress (SRD) grant put in place until January 2021 and further extended until April 2021. While the level and coverage was inadequate, these played an important role in staving off hunger.
 <b>JOB CREATION AND PROTECTION</b>	R100 billion	R12.6 billion	The Presidential Employment Stimulus (PES) create 700,000 employment opportunities in the first phase (2020/2021). <sup>5</sup> These were overwhelming socially useful jobs, of mixed skill levels, that increased employability and paid the national minimum wage. National Treasury’s whittling down of the budget, failure to disburse the next tranche, and the lack of commitment to allocate the balance of the R100 billion, compromise this promising programme.
 <b>WAGE RELIEF – TEMPORARY EMPLOYMENT RELIEF SCHEME (TERS)</b>	R40 billion	R60 billion	Unemployment Insurance Fund (UIF) surpluses were used to provide support to businesses to pay workers’ wages. Although difficult to access and insufficient, this provided important emergency relief. Economy-wide relief was withdrawn unilaterally at the end of October 2020, with remaining benefits ending in March 2021. In July 2021, President Ramaphosa said that more than R60 billion had been spent to protect the jobs of 5.5 million worker. <sup>6</sup>
 <b>SUBSIDISED CREDIT – CREDIT GUARANTEE SCHEME (CGS)</b>	R200 billion	R18 billion	The CGS was meant to enable commercial banks to offer government-backed loans to businesses in need. Due to over indebtedness and stringent application criteria uptake has been dismal. <sup>7</sup>

# Different tax categories as share of total tax revenue (1994-2020) [Source: Institute for Economic Justice]





# A WEALTH TAX

1. Disincentivise excessive accumulation
2. Redistribute capital
3. Address unequal/unjust capital accumulation during Apartheid and subsequent to it
4. Needs government efficiencies
5. R143BN - The potential revenue that could be collected from a progressive wealth tax on the richest 1% (Chatterjee et al. 2021).

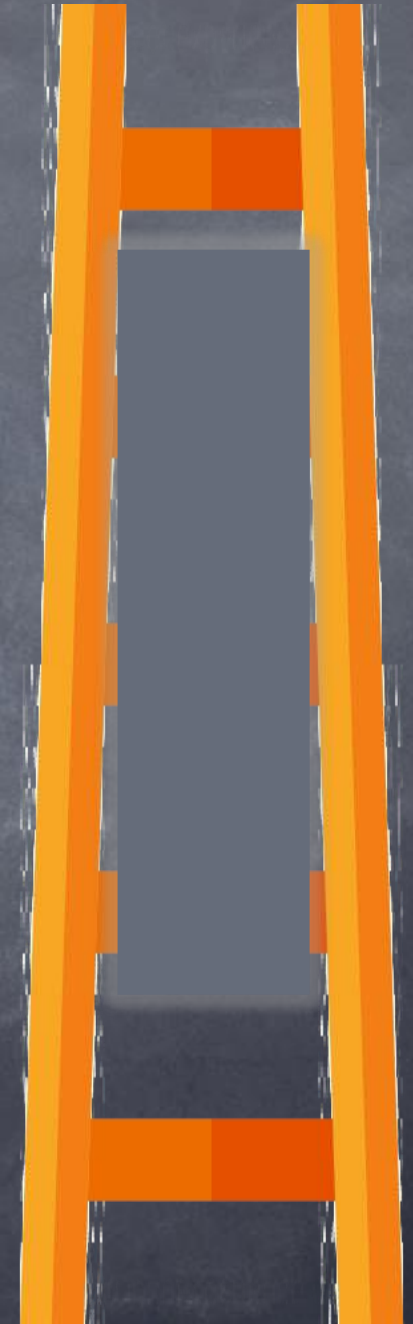
6. Minimal burden - 1% for capital gains

A night cityscape with fireworks and a large blue and orange graphic overlay. The text "Do we have a shortage of strategy?" is written in white on the blue background.

**Do we have a  
shortage of  
strategy?**




1. Sector Education  
Training Authorities  
(SETAs)
2. Expanded Public Works  
Programmes
3. Broad based black  
economic empowerment
4. National Youth  
service programme



A night cityscape with fireworks and a large blue and orange geometric overlay. The text "Do we have a shortage of capacity?" is written in white on the blue background.

**Do we have a  
shortage of  
capacity?**





**Do we have a  
shortage of  
character?**

# ZONDO COMMISSION

1. Prosecution
2. Mitigation
3. Amelioration
4. Prevention



## THE JUDICIAL COMMISSION OF INQUIRY INTO ALLEGATIONS OF STATE CAPTURE,

Corruption and Fraud in the Public Sector  
including Organs of State.





A night cityscape with fireworks and a large blue and orange geometric overlay. The text is white and bold, set against a blue background that is part of a larger graphic design. The background image shows a city skyline at night with fireworks exploding in the sky and lights reflecting on the water.

**Do we have a  
shortage of  
efficiency?**

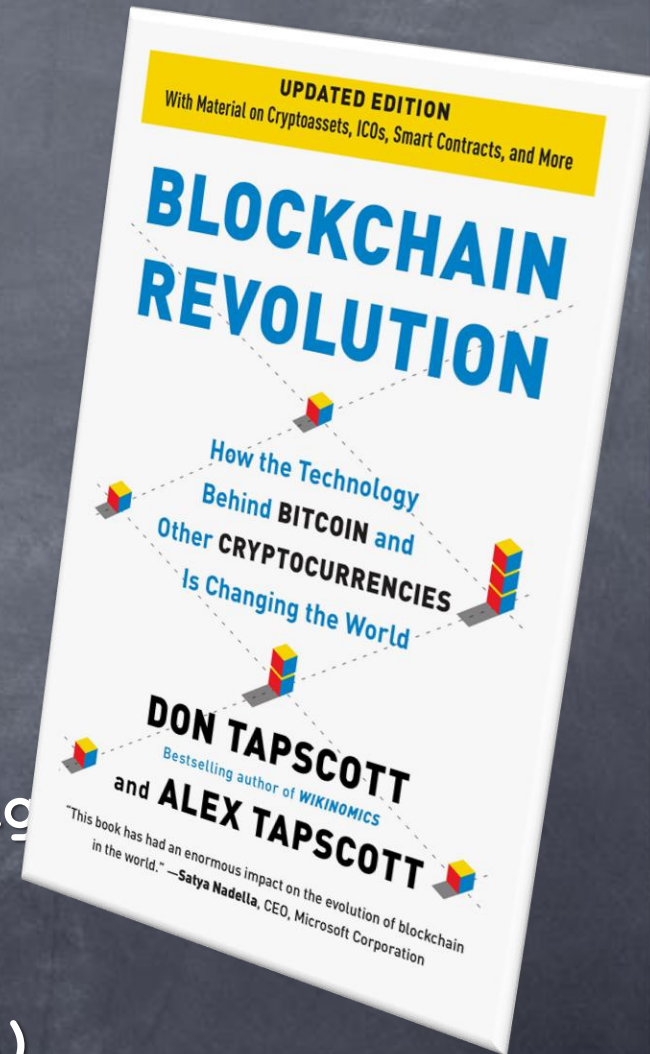
# BLOCKCHAIN


“a technology that allows transactions to be simultaneously anonymous and secure by maintaining a tamperproof public ledger of value”

■ Distributed ledger ■  
Corruption proof

## TRANSFORMATION APPLICATIONS

- Tenders, Contracts, Title Deeds
- Supply chain, Mobile banking
- Voting
- BEE plans and achievements (incl. intermediate targets)
- SETA learnerships
- Wealth tax





# RECOMMENDATIONS FOR ACTION



# Actions to make a big difference

## **OBVIOUS**

1. Employment initiatives
2. Wealth tax and UBIG
3. National Youth Service Programme
4. Land Reform...

## **NON-OBVIOUS**

1. Technological solutions to efficiencies
2. Public education campaign – gains, values, non-violent strategies for change
3. Urgent response to Zondo Com. report
4. Equality Court and SAHRC strengthened – to quash racial instigation, strengthen social cohesion
5. Strengthening existing policies (SETAs, BEE)...

