

## LAND REFORM

### POLICIES

- Comprehensive Agricultural Support Program (CASP), 2004
- Land and Agrarian Reform Project (LARP), 2007

### SUCCESSSES

Recognition that the rate of transfer of land has been too slow and the introduction of LARP to redistribute 5 million hectares of land; increase the number of black entrepreneurs in the industry; provide access to support services; and increase production and trade.

LARP seems to be an important intervention, but it is too early to assess its full impact.

### FAILINGS

Between April 1994 and April 2010, the land reform program had redistributed less than 7% of agricultural land, despite a target of 30% by 2015.

### PROPOSED ALTERNATIVES

Agriculture and food security interventions to support people in informal settlements in peri-urban and urban areas.

Partnering with the private sector to uplift small-scale farmers.

Improving access to financial resources for agriculture-related job creation projects.

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# REFORMING INEQUALITY IN POST-APARTHEID SOUTH AFRICA

*Twenty years into democracy, South Africa faces persistent problems of inequality, poverty and unemployment.*

Apartheid created a cycle of poverty for black people. In post-Apartheid South Africa, the poverty cycle is still active as a result of unemployment owing to a lack of skills.

- 50% of SA's population lives below the poverty line (about R753), 90% of this percentile is black
- South Africa's Gini-coefficient is 0.67, one of the worst in the world
- 10% of South Africa's richest earn approximately 68% of SA's total income

The Economic Justice Network's research partners in the report were Oxfam, Studies in Poverty and Inequality Institute and the Institute Poverty, Land and Agrarian Studies.

The aim of the paper was to assess and analyze policy trends in economics and governance, social protection and land reform.

The report found that although the state has shown a commitment to improving the lives of poor people, inequality trends persist, as do intergenerational patterns of poverty and marginalization. Land reform in particular has seen more policy failures than successes, while economic and social protection policies have produced a mixture of results.

## ECONOMICS

### POLICIES

- Reconstruction and Development Programme (RDP), 1994
- Growth, Employment and Redistribution policy (GEAR), 1996
- Constitution of the Republic of South Africa, 1996
- National Development Plan 2030
- Accelerated and Shared Growth Initiative for South Africa (ASGI-SA)
- Medium Term Expenditure Framework (MTEF)

### SUCCESSSES

Both ASGI-SA, RDP and the NDP recognise a need to eradicate poverty and reduce inequality. In particular, the NDP recognises that people need to be equipped with skills and production and ownership across sectors needs to be diversified.

### FAILINGS

GEAR and RDP failed to address poverty and inequality, mainly due to a failure in job creation.

RDP and GEAR had to be supplemented by other “secondary” policies and programmes as they were not sufficient.

### PROPOSED ALTERNATIVES

Increasing the marginal Personal Income Tax rate for the highest income bracket to 45% and keeping tax brackets in line with inflation. Annual tax relief should stop with immediate effect.

The zero-rating of VAT on basic food must include all the main basic unprocessed foods consumed by poor people.

Luxury imported goods to be taxed higher to promote the sale of locally produced goods.

Introducing a National Minimum Wage.

## SOCIAL PROTECTION

### POLICIES

- Social Assistance Act and the South African Social Security Agency Act, 2004
- Expanded Public Works Programme (EPWP), 2004
- Expanded Public Works Programme II (EPWP II), 2009
- National Health Insurance (NHI) (proposed)

### SUCCESSSES

Social grants have significantly reduced poverty in South Africa, with approximately 17 million vulnerable people on social grants.

NHI aims to provide essential, efficient and quality health care to all South Africans. The NHI’s non-discriminatory policy means that all persons will have equal access to all levels of health care services.

### FAILINGS

Rather than creating a basic income grant (BIG), the government established the EPWP to tackle unemployment and poverty.

An HSRC study showed that short-term employment and exit strategies in the labour market won’t successfully solve the long-term nature of South Africa’s unemployment crisis.

While the NHI appears to be a pro-poor progressive policy, the challenges around its proposed realisation are widely contested. Areas of concern include costly implementation, human resource shortages, corruption or misuse of funds and an inability to ensure long-term positive health outcomes. The current NHI proposal falls short by not adequately addressing these concerns.

### PROPOSED ALTERNATIVES

The BIG needs to be revisited, and civil society must resume lobbying and advocacy work around the BIG.

*“Overcoming poverty is not a gesture of charity. It is an act of justice. It is the protection of a fundamental human right, the right to dignity and a decent life. While poverty persists, there is no true freedom.”*

*Nelson Mandela*