

Patrick Craven, COSATU National Spokesperson's, paper to the SARA Conference, 29 October 2010

South Africa: The most unequal society in the world

Thank you for inviting me to talk on such an important topic - the world record levels of inequality in our society.

The statistical evidence that South Africa is now the world's most unequal society is the Gini coefficient, which stood at 0.64 in 1995 but increased to 0.68 in 2008. I'm sure you all know more about how this Gini statistic is calculated, but I feel that even if you can convince me that we are not quite the most unequal society, there is plenty of evidence in our newspapers that we are there or thereabouts, and will just mention two examples which highlight the problem.

Standard Bank this week announced that they want to retrench 2000 of their staff. This is the company whose CEO Jacko Maree received a massive R18, 2m in 2009 alone, but now expects 2000 workers to pay the price for their bosses' extravagance and incompetence by giving up their jobs and joining the ranks of South Africa's millions of unemployed.

Another more colourful example is the controversy sparked by a comment by the COSATU General Secretary at this week's Civil Society Conference, about greed and "the conspicuous consumption of the new elite – the BEE types who blow up to R700 000 on one-night in parties.

He went on: "In one party sushi was served from bodies of half naked ladies. It is the sight of these parties where the elite display their wealth often secured in questionable methods that turn my stomach. It is this spitting on the face of the poor and insulting their integrity that makes me sick. It is a philosophy of the survival of the fittest and weakest to the wall, where the principle of 'dog-eats-dog' and 'me-first' applies," he added, and repeated something I said here last year – "Whilst workers' universal slogan is "*an injury to one is the injury to all*" the capitalist slogan is the opposite - "*an injury to one is an opportunity to the other*".

Now you would have thought that the host of that party would have kept quiet and hoped that people would not know the identity of this conspicuous consumer. But no, one Mr Kenny Kunene promptly wrote an open letter to Mr Vavi and posted it to the media, proudly justifying his extravagant lifestyle, which he describes as "honest money spent on honest fun".

The fact that the beneficiaries of South Africa's world-record level of inequality are proudly boasting about it poses very serious questions about our future as a country. It displays a cavalier disregard for the effect his story will have on millions of unemployed shack-dwellers.

It is important to make the point is that the Kenny Kunenes of this world, and the Oppenheimers, Kersners, etc, do not create the wealth that they enjoy and sometimes flaunt. That wealth is created by the toil of millions of exploited workers deep in the mines, on the farms, in the car factories and elsewhere. Their employers

are merely clever enough to be able to expropriate that wealth and enjoy the benefits it brings. In all too many cases the business tycoons do not even have managerial skills, but the right political connections.

Yet so often the same employers, and their spokespeople in the media, still complain about unions making 'excessive' wage claims and being an obstacle to them making even bigger profits. As a result, they are casualising their workforces and using the services of labour brokers to dodge their moral and legal obligations to give their workers the benefits, job security and minimum wages they are entitled to.

This leads not just to massive levels of inequality, but inequality that is seen to have no justification. As I said last year, CEOs' bonuses are paid regardless of how hard the top managers worked or the performance of the companies they are managing and gave the example of Eskom, which had increased its CEO's salary by 26.7% despite its manifest failure to deliver an efficient and affordable service.

All this is serious because inequality is not just a moral issue, but one which impacts on the future of society. It is not a sustainable way for a society to operate. Those at the lowest levels of income and wealth will feel more and more marginalised. Already we see community protests which all too often become violent and destructive.

They are directly linked to inequality, as shown by the fact that they usually take place not in the very poorest communities which are in the deep rural areas, but in peri-urban shack communities like Diepsloot, which are next door to some of the wealthiest suburbs like Dainfern. Such proximity of extreme poverty and extreme wealth are a recipe for social breakdown, which we all want to prevent.

That is why this week's Civil Society Conference was so important. The 56 organisations represented there, from labour, communities, churches, street traders, traditional leaders, taxi associations, NGO with special interests in education and many others can provide the voiceless and marginalised in our society with a powerful movement to bring about change.

It can revive the spirit of the mass democratic movement which played such a crucial role, alongside the unbanned ANC, in the struggle for political transformation, and play a similar role in the struggle for economic transformation which will create a far more equitable and just society.