

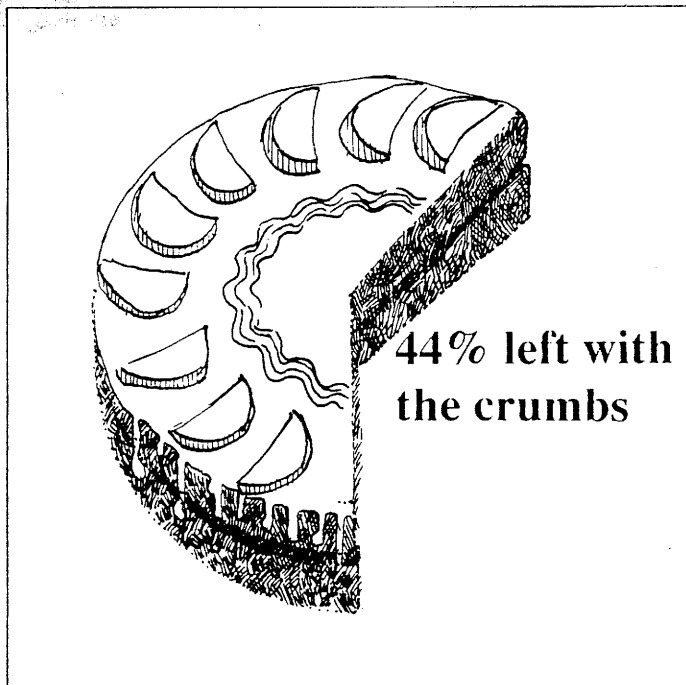


# Economic Injustice

PACSA FACTSHEET no. 35

## How Many are Poor?

Sixteen million people - 44% of the South African population - live below the poverty level and almost two and a half million are in dire need. These figures indicate poverty levels as bad as those in many poor African countries. The minimum living level is, on average for the Pietermaritzburg region, R634 per month per family of 5. (UNISA, Feb. 1991)



## Who Is Most Affected By Poverty?

Over 50% of all African households receive an income below the poverty datum line. In 1985 Africans constituted 84,5% of the population of South Africa, but only earned about 39% of the total personal income generated in the country.

### CONTENTS AND INTRODUCTION

ECONOMIC INJUSTICE IS ABOUT POVERTY CAUSED BY UNJUST GOVERNMENTS

THIS FACTSHEET WILL SHOW HOW MUCH ECONOMIC INJUSTICE EXISTS IN S.A.

AND EXPLAIN HOW APARTHEID HAS CREATED & INCREASED ECONOMIC INJUSTICE

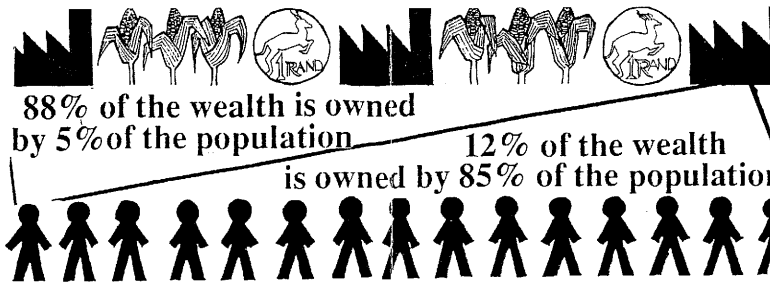
WE WILL ALSO TELL WHAT GOD HAS TO SAY ABOUT THE POOR & OUR RESPONSE TO POVERTY & INJUSTICE

AND WE'LL GIVE SUGGESTIONS OF WHAT ACTION CAN BE TAKEN TO FIGHT INJUSTICE & POVERTY

SEPTEMBER 1991

## Who Controls the Wealth?

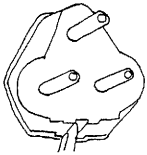
5% of South Africa's population owns 88% of the personally owned wealth (from personal goods to houses to property to factories to farms to shares). These 5% have most control over the 'means of production' and accumulate the most profits.



## Control of Wealth by Corporations

In industry, six corporations control more than 85% of the shares quoted on the Johannesburg Stock Exchange. These corporations in effect have most power in controlling the distribution of profits.

## Unequal distribution of electricity



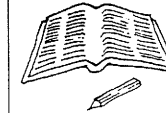
Over 66% of all black households do not have electricity and this in a country that provides 60% of the total electrical energy generated on the whole continent of Africa. The cost of providing fuel (candles, paraffin, wood and coal) for black people in urban areas is much higher than the equivalent cost of electricity to white households. Households in non-electrifiable areas spend up to R120 per month on energy. The equivalent spent on electricity would cost R65.

Research done in rural areas has shown that the distance travelled to collect enough wood for daily fuel needs ranged between 5.6 and 9.4 km and took between 2.5 and 6 hours.

## The Apartheid Legacy Of Economic Injustice

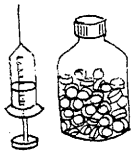
The policies of Apartheid: -i.e separate development, anti-urbanisation, forced removals, Bantu education, the crushing of organisations and destabilisation have all directly and indirectly had a devastating effect on causing or increasing poverty in South Africa. They have resulted in an unequal distribution of and access to resources necessary for development.

## Unequal Education



Although state expenditure on education is increasing, the gap in per capita expenditure on black and white pupils has widened from R653 in 1978/79 to R2975 in 1989. While there is a critical shortage of facilities and teachers in black education, in white education, schools are closing and colleges amalgamating due to reduced numbers of scholars and students. Teachers in white schools are being retrenched because of the governments rationalisation programme. In Natal and Kwazulu 75% of the schools do not have electricity.

## Unequal access to health care



The World Health Organisation recommends that 5% of a country's GNP be spent on health care. In

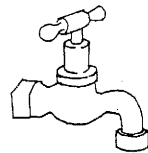
South Africa the proportion spent on whites is equivalent to between 13 and 14% of the GNP, while that spent on Africans is only 3-3.5%. In 1989, 47% of total health income was spent on private sector health care which covers about 20% of the population. The balance of 53% had to fund health services in the public sector which serves 80% of the population.

## Unequal distribution of land



In the rural areas, where farming is a vital component of people's subsistence, the white areas have a population density of 6 persons per sq. km.; whereas in the 'reserves' the average population density is 57 persons per sq. km (with some areas as high as 298 per sq. km.)

## Unequal access to water supplies

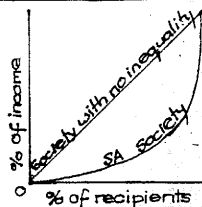


Many rural areas do not have a clean and close supply of water for drinking, cooking and washing. Studies have shown a direct correlation between the lack of clean water and diseases - which contributes to the high infant mortality rates in these areas. Research done in rural areas show that considerable distance is travelled daily by women who fetch water.

## Unequal access to housing

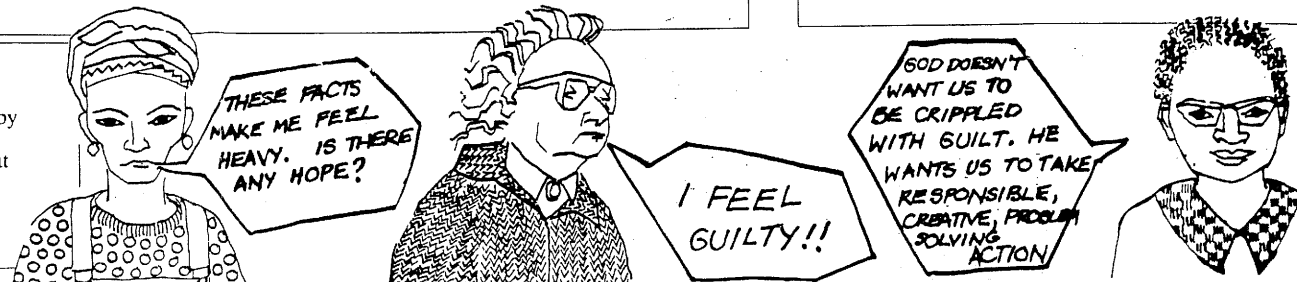


In 1990 the SA Housing Trust estimated a shortage of 3.4 million housing units for Africans, calculated on a density of 6 to 7 persons per unit. It has been estimated that 56% of the African population live in informal settlements mainly around the main metropolitan regions. Only 17% of African families are able to afford economic 'standard' housing but if housing was subsidised, then a further 27% would be able to afford basic housing.



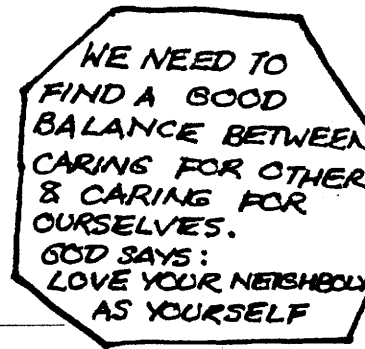
LORENZ CURVE

South Africa's level of inequality as measured by the Gini co-efficient was the highest for any country whose income data was available at that time (1983).





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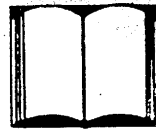
## SUGGESTED ACTION

'Defend the rights of the poor and the orphans: be fair to the needy and the helpless. Rescue them from the powers of evil men.' Psalms. 82.3

\*Take responsibility to ensure that just and honest governing bodies are placed in positions of power - governing bodies that distribute resources fairly. Become informed of government expenditure and speak out to confront governing bodies when the needs of the poor are neglected.



\*Inquire into local issues where people are suffering because of inadequate resources. Work together with others to plan action. Listen to and consult those effected to gain more understanding. Identify with the poor and respect their dignity.



\*Share your resources - financial, time, educational and your home - with those disadvantaged in your Church group or others known to you.

\*Give consideration and prayer to your choices and decisions of how best to involve yourself. Pray for the needs of the poor to be met and for ways of meeting their needs.

\*Get together with others to analyse systems of government. Identify principles that you think are part of good governing which ensure both economic growth and redistribution of wealth. Understand the functions of the trade union movement in protecting the rights of the working class. Investigate means of job creation. Find out more about rural and urban development projects in your area.

### \*Suggested further reading

Uprooting Poverty - The South African Challenge - *Francis Wilson and Mamphela Ramphele*

PACSA Factsheets on: Income Distribution in SA, Malnutrition in Natal, Hunger, Simple Lifestyle, Poverty, Water, Crisis in Education, Children and Health, Apartheid's Health System, Food, Apartheid and taxation, Pensions.

(available at PACSA Resource Centre)



### \*Theological reflection

Acts 5.32-35, Acts 20.35, Deut 26.12, Neb13.13, 2 Chr 31.5,11-12

## REFLECTION

Spirit of Truth, set us free to emerge as the children of God.

Open our ears that we may hear the weeping of the world.

Open our mouths that we may be a voice of the voiceless.

Open our eyes that we may see your vision of peace and justice.

Make us alive with the courage and faith of your prophetic church.