

A Roundtable Discussion on Poverty, HIV/AIDS and Inequality

The Southern African Regional Poverty Network (SARPN)
in collaboration with
Oxfam GB's South Africa Programme

Concept Note

Background

"In the battle against Apartheid we scored a tremendous victory in the face of considerable evil. The solidarity of people from around the world, including the UK strengthened us at some of our darkest moments. Now as we enter another battle - the battle against HIV/AIDS we need the same solidarity, the same passion, the same commitment and energy."
- South African Archbishop Emeritus Desmond Tutu

In 2005 South Africa celebrated its 10th anniversary as a democracy since the end of Apartheid. While some progress has been made towards tackling the significant challenges caused by decades of apartheid and white minority domination, the resource rich, middle-income country still has a long way to go with regards to equality and poverty eradication.

The 2004 United Nations South Africa Human Development Report, which assesses progress made by the government in social development and policy making, painted a dismal country picture. The report identified unemployment, inequality and HIV/AIDS as the most significant issues facing development in post-apartheid South Africa. Its past has left *"a deeply divided society characterised by strife, conflict, untold suffering and injustice which generated gross violations of human rights, the transgression of humanitarian principles in violent conflicts and a legacy of hatred, fear, guilt and revenge."*

Almost 50 years of apartheid has left behind a divided society with extensive social and economic inequalities. A recent World Bank study shows that although South Africa has made progress in addressing inequality it remains one of the five most inequitable countries in the world in terms of real income¹, access to education² and racial disparities between skilled and unskilled labour and industrial development and modernisation. Unemployment continues to be a major challenge facing the country. In 2003 it was estimated that 8,3m people were unemployed and that 59 percent of unemployed have never worked. With unemployment the wealth gap is also widening.

Economic Inequality

This environment began the *First Economy vs the Second Economy* debate in 2003 by political commentator Alistair Sparks who described South Africa as having a "double-decker economy - its First World sector and its Third World sector". According to Sparks, what is working for those on the upper deck of this economic bus is not working for those on the lower deck. Hence, unemployment is increasing and the wealth gap widening. *"It is a question of skills...those on the upper deck are prospering, growing numbers of those below are unemployed and rapidly becoming unemployable - if nothing is done about it South Africa faces the socially dangerous prospect of this unemployment becoming generationally repetitive...There is a further troubling feature to this double-decker bus. Those on top are a multiracial group...but those below are nearly all black...and there is no stairway from the lower deck to the upper one"*.

Later the same year President Thabo Mbeki made a similar analysis. He divides the economy into first world and third world components. The former is the modern industrial, mining, agricultural, financial, and services sector of the economy that, according to Mbeki, everyday becomes ever

¹ SA's growing income gap worries World Bank, *Business Day - 2005-12-12* Source: <http://www.businessday.co.za/>

² Human Rights Watch *Letting them fail: Government neglect and the right to education for children affected by AIDS* - Volume 17 No.13 (A) October 2005

more integrated into the global economy. There has been a recognised need to deliberately intervene in the second economy or the "third world economy" and not assume that the interventions made with regards to the first world economy were necessarily relevant to the third.

The dual-economy thesis has been challenged for its failure to achieve the trickle down effect and *intervening "in the 'second economy' while the macroeconomic policy and the neo-liberal privileges granted to the corporate sector remain intact in the 'first economy'". It is highly necessary to move towards a truly developmental state system in South Africa. But this cannot be created in the second economy only. It will have to be created in the South African economy as an undivided entity*³.

The Political Economy of HIV/AIDS

South Africa has the largest number of people living with HIV/Aids in the world, and the fastest growing epidemic. HIV/AIDS is now the leading cause of death amongst black women, children and those in the economically active population group. The country's prevalence rate is estimated at 21,5 percent and out of a population of 46,6m, more than 6,4m are living with HIV/AIDS. This figure is expected to rise to 8m by 2010. It is estimated that 600 people die of HIV-related illnesses each day and that 25 percent of all deaths are attributed to HIV/AIDS. The Government's expenditure on HIV increased from R30 million in 1994 to over R3, 6 billion in 2003/04. It has been estimated that, if not tackled adequately, the epidemic could cost South Africa 17% in GDP by 2010, an assertion that has been much denied by government.

HIV/AIDS has significantly changed life expectancy in South Africa. Between 1995 and 2002, life expectancy at birth is estimated to have declined from 61.4 years to 51.4 years. This trend is expected to continue until 2015, resulting in a 30 percent decline in life expectancy or around 20 years.

Elements of the apartheid regime - such as migrant labour, the homelands system, the Group Areas Act and forced removals - contributed to the widespread poverty, gender inequality, social instability and unsafe sexual practices that now continue to influence the spread of HIV/Aids. Continued national and regional migration has exacerbated the spread of HIV and inequality in terms of access to education, health care and gender disparities all play into the continued spread of the disease often into the poorest and most marginalised populations.

Objectives & Target Group

In view of these considerations, the roundtable is intended to:

- Provide participants with a solid understanding of issues relating to poverty, HIV and inequality in South Africa and in the region.
- Discuss and challenge experiences and issues in depth to gain a deeper understanding.
- Identify key issues and opportunities for tackling poverty, HIV and inequality.
- Provide Oxfam GB Senior Management Team members an analysis and overview of poverty issues in South Africa with a focus on inequality and HIV/AIDS.

This Roundtable Discussion seeks to bring together high-level researchers, policy makers and stakeholders in the area of poverty, development and HIV/AIDS. Foreign representatives and heads of organisations are the targeted group to ensure a high level of interaction and informed discussion.

P O Box 11615. Hatfield. 0028
Office W2. Pro Equity Court. 1250 Pretorius Street. Hatfield. 0083
TEL: +27 12 342 9499/ 423 0220. FAX: +27 12 342 5636
www.sarpn.org

³ Terreblanche, S. J. (2002). *A History of Inequality in South Africa, 1652 to 2002*, University of Natal Press, Pietermaritzburg.