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CONSTITUTE AN UNDERCLASS?**

Jeremy Seekings

CSSR Working Paper No. 32

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Social Surveys Unit

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March 2003

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Do South Africa's Unemployed Constitute an Underclass?

Abstract

High rates of long-term unemployment pose difficulties for the mapping of the class structure. In South Africa, the high rate of long-term unemployment raises the question of whether or not the unemployed constitute a separate class or underclass. An underclass should only be distinguished if it has some theoretical foundation (i.e. the members of this class share some systematic disadvantage) and empirical consequence (i.e. that membership of this class is associated with experiences or attitudes that differ from those associated with membership of other classes). In South Africa, evidence from the mid-1990s suggests that, at the end of the apartheid era, one section of the unemployed suffered systematic disadvantage in terms of access to employment. Given that people get jobs in South Africa primarily through friends and family, people without such social capital are relegated to an especially disadvantaged position in the labour market and society in general. Some but not all of the unemployed can be located within an underclass defined in terms of acute disadvantage. The limited evidence available suggests that these unemployed people and their dependants constitute an 'underclass', experiencing more acute poverty, worse living conditions and less satisfaction with their lives than the members of other classes (including other unemployed people who do not fall into the underclass).

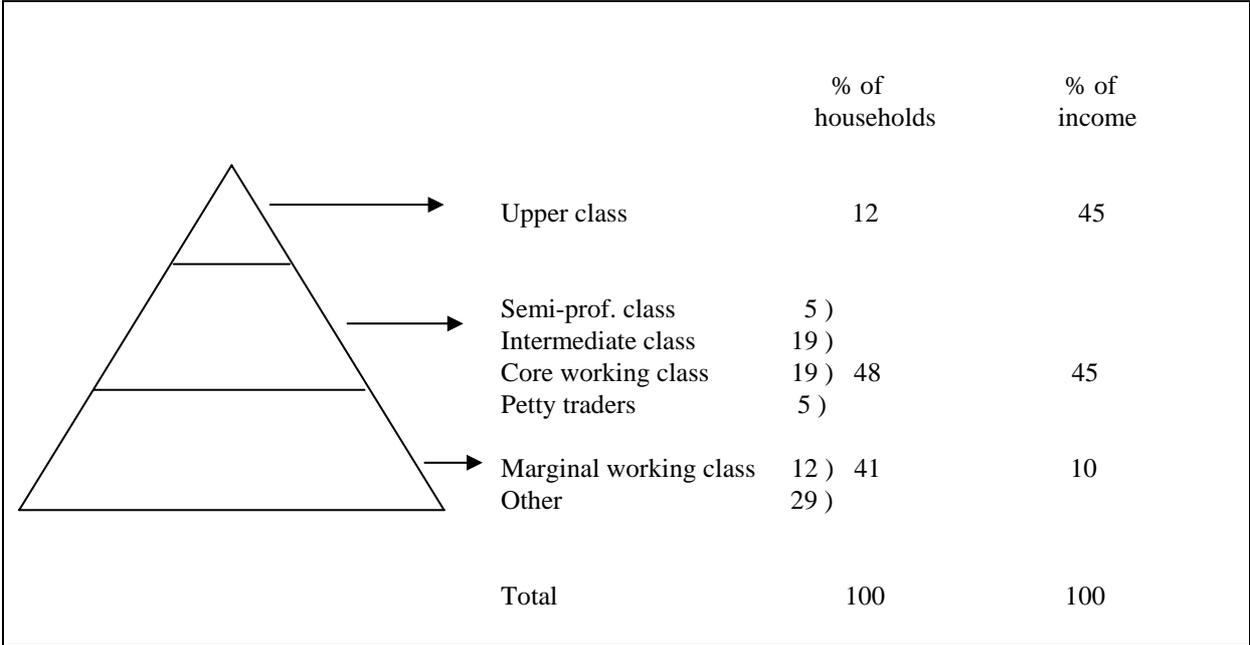
1. Introduction

The existence of people who are in neither paid employment nor profitable self-employment has long posed a problem for sociologists mapping the class structure of society. Class schema based on occupation or ownership of the means of production cannot easily accommodate retired pensioners, 'housewives' or others engaged in unpaid domestic work, children, the disabled, single mothers living off welfare payments or the unemployed. Some of these people can be accommodated within an orthodox class schema through 'mediated' class positions, i.e. they derive their class position from other individuals on whom (typically) they are directly dependent economically. Children and non-working spouses thus have class positions mediated through the breadwinning household member. Pensioners, too, might be given a class position based on the position they were in

prior to employment (although, if life expectancy extends significantly longer than the age of retirement, this becomes less and less satisfactory). Thus class positions can be found for many people who are not in the economically active population. But what about the unemployed? In societies with very high unemployment, like South Africa, the unemployed constitute a huge challenge to analysts of the class structure.

In *C.S.S.R. Working Paper 31* (Seekings, 2003), I developed several possible class schema for South Africa at the end of the apartheid era (using data from the 1993 P.S.L.S.D. survey). One class schema seemed preferable on a combination of theoretical and empirical grounds. It had both theoretical foundations (in Marxist and Weberian theory) and some demonstrable consequentiality, in that there was a strong correlation between class and other variables including income, living conditions, health, children’s education and certain attitudes. The scheme entailed nine classes, which could be combined into seven for simplicity (and these could be grouped into three broad clusters, as in Figure 1).

Figure 1: South Africa’s Class Structure (1993)



The ‘upper class’ in Figure 1 comprises three components: an upper class (U.C.) defined in terms of managerial and professional occupations together with two classes defined in terms of significant income from assets or business activity (these were individually labelled ‘W.E.1’ and ‘W.E.2’, with ‘W.E.’ standing for ‘wealth and entrepreneurship’). The ‘semi-professional’ class (S.P.C.) is defined in

terms of teaching and nursing occupations. The 'intermediate class' (I.C.) is defined in terms of routine white-collar, skilled and supervisory occupations. The 'core working class' (C.W.C.) is defined in terms of semi-skilled and unskilled occupations, excepting in domestic and agricultural work which are categorised separately as the 'marginal working class' (M.W.C.). Petty traders (W.E.3) are defined in terms of a low income from business, typically in the informal sector. The final 'class' was a residual category, which we labelled unimaginatively as the 'other' class.

This class schema entails giving each household a uniform class location, reflecting the occupation of the breadwinner or the level of household income from assets or business. There are, therefore, many unemployed in classes such as the intermediate, core working- and marginal working-classes (I.C., C.W.C. and M.W.C.). But many other unemployed people live in households with nobody working (or in lucrative self-employment), and thus fall into the residual, 'other' category. Is it right to divide up unemployed people like this? And might households including unemployed people in the 'other' class be distinguished from households that do not include unemployed people (for example, that include only retired pensioners)?

This *Working Paper* examines whether households without members in employment but with unemployed members can usefully be considered as a discrete class, perhaps (to use more controversial vocabulary) an 'underclass'? Most social scientific writings on this question in South Africa adopt the approach that these unemployed are really just displaced workers: workers and the unemployed are all parts of the 'the working class as a whole' (to quote Gelb and Webster, 1996: 74). An implication of this approach is that unemployed and employed African people share a common position in the social structure, are similarly disadvantaged, and share similar interests (see also Adler and O'Sullivan, 1996; Adler and Webster, 1999).

This approach underestimates the importance of both actual employment and prospective access to employment in conferring advantage (or, if one prefers, mitigating disadvantage). The number of employed and unemployed members in a household has an important bearing on where the household is located in the income distribution. Households with two or more working members are concentrated in the top income deciles, whereas those with no members in employment are amongst the poorest of the poor. Precise gradations in access to the labour market clearly matter a great deal. It is correct that some workers, especially in the marginal working class (i.e. farm-workers, domestic workers and their dependants), are not much higher in terms of income distribution than households without any working members. And, given that the marginal working

class is predominantly African, the income gap between African households in worker-less households and those in the marginal working class is not as great as that between the average unemployed household and the average employed household. However, to categorise the entire African workforce – whether employed or unemployed, unionised or not, as ‘under-privileged’ (as do Adler and O’Sullivan, 1996: 181-2) – misses crucial distinctions.

Unemployed people are disadvantaged relative to employed people. Yet when it comes to providing the unemployed with a class location, the unemployed need to be differentiated. There are good reasons for locating *many but not all* of the unemployed in a class of their own, in a class that we might label as the underclass. The reasons for delineating an underclass comprising some of the unemployed (and their dependants) are related to the ways in which labour markets work in South Africa. Amidst a scarcity of jobs, access to employment opportunities can itself be a scarce resource. The unemployed are differentiated by uneven access to employment opportunities. An underclass should be defined not simply as including people who lack employment, but more specifically as including people who are excluded from access to employment opportunities (or at least are very disadvantaged in terms of such access). Using data from 1993, backed up with more recent data, I argue that the apartheid state bequeathed an ‘underclass’ to post-apartheid South Africa, in that economic and social conditions created an especially disadvantaged class.

2. Theorising the Underclass

In the 1980s, the concept of the ‘underclass’ came to be used widely in the U.S.A. and Europe to refer to categories of people who were not working. The popular usage of the term was driven primarily by the writings of conservatives, especially Charles Murray. Murray wrote about both the U.S.A. (1984) and U.K. (1990). He attributed the existence of an underclass to a distinctive sub-culture (entailing criminality and an aversion to waged work), which in turn was attributed to social disintegration and the provision of public welfare. The class was thus defined primarily by a mix of attitudinal and behavioural characteristics. What unified the category was the perception that welfare-dependants, the long-term unemployed, the ghetto poor and the criminal, were all, in some sense, outside of the social, economic or political institutions of civilised society.

This use of the concept of the underclass is invoked for South Africa by Adam (1997), who writes of ‘the moral decay and the growing impoverishment of an unrepresented and marginalized underclass’. This underclass is said to be

responsible for crime and represents the ‘number one problem for long-term stability’ in South Africa (Adam, 1997: 2). South African society certainly exhibits many of the characteristics that underpin conservatives’ use of the ‘underclass’ concept: crime, unemployment, teenage pregnancies and the disintegration of families and communities. The only obviously missing ingredient is welfare-dependency, as South Africa’s public welfare system only provides generous benefits to groups (the elderly and disabled especially) who are unable to work.

An alternative approach to the ‘underclass’ starts not with supposed attitudes and behaviour but in class theory. If class is defined in terms of exploitation, where in the class structure do we locate people who are not exploited because they do not work? They certainly do not fit nearly into any of the orthodox class categories. The neo-Marxist scholar Wright (1997) suggests that the unemployed constitute an underclass that is oppressed but not exploited. But, as his concern is with the working population only rather than society as a whole, he does not elaborate. The Weberian scholar Runciman (1990) similarly suggests that, if class is defined in terms of ownership, authority or expertise, then there are good grounds for delineating an underclass in British (or American) society.

The task of locating the unemployed in the class structure requires that we first reconsider what are the purposes of class analysis in general. Where economists are happy to understand inequality in terms of individuals’ attributes (with, for example, the probability of poverty being related to geographical location, education, experience, race, etc), sociologists seek to locate individuals in the social structure as members of identified social groups or classes. Inequality is thus the subject of class analysis. There are three major reasons for this. Firstly, class analysis might be of simply heuristic value. For many of us, it is easier to conceptualise positions in the income distribution in terms of classes than of attributes. This kind of class ‘analysis’ is primarily descriptive. Secondly, class analysis may be driven by theory, generally derived from the work of Marx. But, as Wright – the pre-eminent neo-Marxist scholar of the 1990s – puts it, any such use of class is ‘simply an arbitrary convention’ (Wright, 1997). Thirdly, class analysis may be driven by the consequential importance of class categories, i.e. by the consequences of individuals’ positions in the class structure for other social and political phenomena. Class analysis generally entails maintaining a balance between the second and third concerns: Class categories should be theoretically grounded but must also exhibit some ‘consequentiality’ for class analysis to be anything more than a theological exercise (see further Seekings, 2003).

Class may be consequential in two ways. First, classes may reproduce themselves over time, in that rates of mobility out of classes are low, whether across lifetimes

or between generations. Of course, low rates of inter-class mobility raise the question of ‘why?’, leading to analyses of household decision-making about education, for example, as well as access to employment or other income-generating opportunities. Secondly, classes may be consequential in terms of specific phenomena, such as voting behaviour. Freed from the straitjackets of theoretical orthodoxy, sociologists and political scientists are showing that ‘class counts’ – as Wright proclaims in the title of his recent study of the United States (1997). The boundaries around classes remain relatively impermeable with respect to marriage and friendship patterns, and to individual and inter-generational mobility; class also counts (albeit less consistently across national borders) with respect to attitudes (Wright, 1997). Class continues to play an important part in politics, including in voting (Evans, 1999). The final sections of *Working Paper* 31 examined various ways in which class (as set out in Figure 1 above) is consequential in South Africa.

Any class analysis requires some prior conceptualisation of the class structure. When Wright argues that ‘class counts’, he means that the class analysis he develops, on broadly Marxist foundations, generates class positions that help to explain other social and political phenomena. His class categories are not defined, however, by their consequences. To do so would be to reduce class analysis to a set of tautologies. Fortunately, there has been a convergence between scholars to the practice of mapping classes in society. There is little difference between approaches of the neo-Marxist Wright and the neo-Weberian Goldthorpe. Both use broadly similar occupational categories to map the class structures of advanced capitalist societies. Both therefore also run into the problem of classifying people without occupations. As Wright puts it, ‘the empirical categories of analysis are *underdetermined* by the theoretical frameworks within which they are generated or interpreted’ (1997: 37).

The most influential studies of the underclass are those that have combined some theoretical foundation with an analysis of consequence. The eminent American sociologist William Julius Wilson (1987, 1991, 1996) used the concept of the ‘underclass’ (at least until he grew alarmed by its conservative connotations in the U.S.A.) to describe a distinctive group of people who suffer systematic and cumulative disadvantage in the labour and other markets. ‘What distinguishes members of the underclass from those of other economically disadvantaged groups is that their marginal economic position or weak attachment to the labour force is uniquely reinforced by the neighborhood or social milieu’ (1991: 474). Wilson is saying that *some* people on the edge or outside of the orthodox class structure are especially disadvantaged, such that disadvantage and marginality are reproduced over time. Wilson himself emphasises the roots of disadvantage in changing labour markets, but other scholars emphasise the importance also of racial

segregation (Massey & Denton, 1993). Whatever the precise mix of racial and other factors, it is clear that growing up in a ghetto neighbourhood in many American cities raises considerably the chances of dropping out of school, failing to find work, having children whilst still a teenager, and thereafter being a single parent.

Disadvantage is cumulative in part because of the isolation of the underclass from the rest of society. As Massey and Denton put it, 'residents of hypersegregated neighborhoods necessarily live within a very circumscribed and limited social world':

'They rarely travel outside of the black enclave, and most have few friends outside of the ghetto. This lack of connection to the rest of society carries profound costs, because personal contacts and friendship networks are among the most important means by which people get jobs.' (Massey & Denton, 1993: 161).

In the U.S.A., spatial and social isolation breed distinct speech patterns and language and an oppositional culture that in turn serve to reinforce isolation and disadvantage.

In the U.K., discussion of an 'underclass' has focused on the long-term unemployed. Detailed research on the long-term unemployed shows how disadvantage can be cumulative:

'As well as being deprived of work they were disadvantaged in health and housing. They became involved in local social networks consisting primarily of other people without work and employment. This ensured that they had lower levels of social support and tended to lock them into a position of labour market disadvantage ... [P]eople may be caught in a spiral of disadvantage in which small events may have large repercussions. Through an initial accident of job loss, a person may get trapped in a cycle of further unemployment. Unemployment frequently leads to depression, family break-up, and social isolation, which in turn makes the next job more difficult to find' (Gallie and Marsh, 1994: 29-30).

In this view, location in the underclass is consequential. Individuals are not simply temporarily displaced workers – i.e. temporarily out of other classes – but are locked into a class trajectory that leads away from rather than back to other classes. Research in Britain, however, suggests that long-term unemployment is not especially consequential in a range of other respects (particularly attitudes on

social, economic and political issues) (Devine, 1997: 241-254, Gallie, 1994; Marshall *et al.*, 1996). Taking the long-term unemployed as a whole, the attitudinal differences between them and working people in Britain are not sufficient to consider them as a separate class; rather, they appear to be displaced members of the working class.

The factors that contribute to systematic disadvantage on the margins or outside of orthodox class categories vary between societies. In the advanced capitalist democracies of the North, states also vary in the ways they structure and address disadvantage, for example through labour market policies. The study of unorthodox class categories needs to be informed by the specific character of the society in question, rather than derived from some overarching theory.

3. Unemployment in South Africa

Unemployment is extraordinarily high in South Africa by any measure. The most appropriate measure of unemployment in the South African context is the broad or expanded measure. This includes not only people who are actively looking for work but also ‘discouraged jobseekers’, i.e. people who want work but do not actively look for it because, they say, there are no jobs to look for. For many unemployed people in some parts of South Africa, job search is indeed futile. Using this broad definition, the South African unemployment rate is almost 40 percent (see Natrass, 2000c, for evidence and debates over the definition of unemployment).

Unemployment is very high in South Africa for two sets of reasons. First, economic growth has been too weak to absorb the ever rising number of young men and women entering the labour market, itself due to demographic growth and rising participation rates. Secondly, the policies and actions of government, organised labour and business have together resulted in a growth path that has been ‘jobless’ in that employment has fallen despite economic growth. Crucially, the growth path has entailed rising productivity and rising wages for an ever smaller pool of workers, with rapid shrinkage in, especially, unskilled employment opportunities (see Natrass, 2001; Seekings & Natrass, forthcoming).

Almost one half of the unemployed are in households with other members in employment, and almost one tenth are in households with significant income from entrepreneurial activities or assets. But this leaves half of the unemployed living in households that cannot be categorised in orthodox terms. About one half of the households in the ‘other’ class category in Figure 1 include unemployed people.

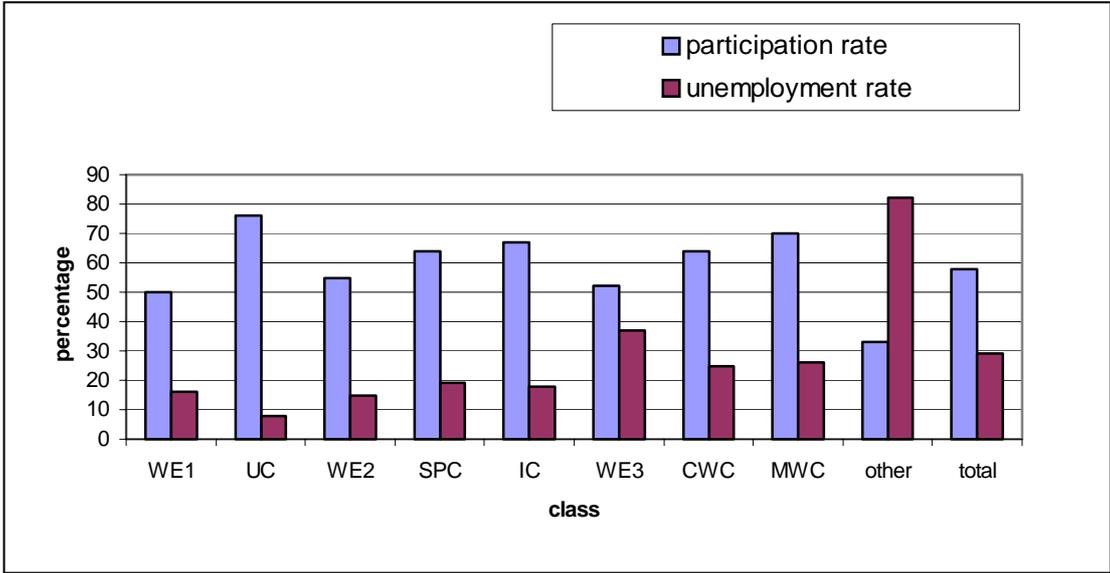
The other half have nobody in the labour force: their adult members are either retired, sick or disabled, or home-workers not wanting employment. Table 1 shows the composition of each class by working or employment status, and Figure 2 shows the participation and unemployment rates for each class.

Table 1. Working status by class (South Africa, 1993)

Share of the adult population (aged 16 years +)	Class									Total %
	WE1 %	UC %	WE2 %	SPC %	IC %	WE3 %	CPC %	MWC %	Other %	
Employed	17	66	28	49	52	13	46	50	0	34
Self-employed	25	3	18	3	3	19	3	2	6	5
Un-employed	8	6	8	12	12	19	16	18	27	17
Not in the Labour force	50	24	45	36	33	48	36	30	67	42
Total	100	100	100	100	100	100	100	100	100	100

Note: WE1-3 are the 'wealth and entrepreneurship classes'; UC is the upper class; SPC the semi-professional class; IC the intermediate class; CPC the core working class and MWC the marginal working class. See further pp.2-3 above and Seekings (2003).

Figure 2. Participation and unemployment rates, by class (South Africa, 1993)



Unemployment is not only widespread in South Africa, but it is also very often long-term. If unemployment was a transitory phenomenon then it might make sense to ignore it when locating individuals and households in the class structure. The unemployed might rather be classified according to their past or prospective future occupations, i.e. by what Wright terms their 'class trajectory' (1997: Ch. 16). Thus a temporarily unemployed teacher is a displaced teacher, not a member of an underclass. All available evidence in South Africa suggests, however, that unemployment is unusually long-term in duration.

The 1993 P.S.L.S.D. survey did not ask about duration of unemployment, but successive October Household Surveys did. Bhorat and Leibbrandt (1996: 146) found, using the 1994 October Household Survey, that 17 percent of the unemployed had been unemployed for up to six months, 15 percent for between six and twelve months, and a massive 68 percent for more than 12 months.

Unemployment in South Africa is longer in duration than in other countries for which we have data. In those European countries that are part of the O.E.C.D., about 66 percent of the unemployed have been unemployed for more than six months, compared to 83 percent in South Africa. In O.E.C.D. Europe, about 48 percent of the unemployed have been unemployed for more than one year, compared to about 68 percent in South Africa. Only a few countries have long-term unemployment rates similar to South Africa's. In Italy and Ireland, over 80 percent of the unemployed have been out of work for at least six months, and two-thirds have been unemployed for twelve months or more. But in these countries the overall unemployment rate is much lower than in South Africa. It should also be remembered that the long-term unemployed in South Africa do not have access to welfare benefits, which are often generous in Europe (O.E.C.D., 1999: 224, 242).

In South Africa, not only have most unemployed been without work for a long time, but most report that they have *never* worked. Bhorat and Leibbrandt (1996: 150) report that 65 percent say they had no previous occupation (If we look at the previous jobs of the one-third who had worked before, about 20 percent had had jobs putting them into our core or marginal working class categories, about 12 percent had had intermediate class jobs and about 2 percent had had semi-professional or upper class jobs – according to our best guess with respect to reclassifying the categories provided by Bhorat and Leibbrandt). Such a high proportion of the unemployed had never worked before because many of them had gone straight from school into unemployment (*ibid*: 147-8). The 1995 October Household Survey paints much the same picture: 69 percent of the unemployed had never worked, and the proportion was highest for younger unemployed. As many as 89 percent of the unemployed aged between 16 and 20 had never worked; but more than 60 percent of the unemployed had never worked in all age-groups up

to and including 31-35 year-olds; even among older unemployed, as many as half had never worked (Klasen and Woolard, 1998: 33).

Other studies present similar findings. Moller (1992) found that 60 percent of the unemployed had been looking for over one year, and the median duration of unemployment was between one and two years (quoted in Kruger, 1995: 49-50). In Port Elizabeth in 1989, 57 percent of unemployed African people had been unemployed for over two years (Riordan, 1992: 79-80). A survey of sixteen- to thirty-year-olds in 1992 found that '30% have been out of work for one year, 21% have been out of work for two years, and a further 15% have been unemployed for three years' (CASE, 1993: 14). The same study put the unemployment rate for this age-group at 52 percent (*ibid*: 14).

Standing *et al.*, however, are sceptical about this data on the duration of unemployment.

'When one finds large numbers of people aged in their 20s and 30s reporting that they have never had a job, one wonders what they have been doing for the past five or ten years. Perhaps what they mean by a job is not the same as what the survey designers mean by it ... [M]any of the job-seekers may perceive that the work they had been doing did not constitute a 'proper job' and therefore report to the enumerator that they had never held a job or that they had been out of employment for a longer time than if their unemployment was measured from the time when they last worked for pay, profit or family gain' (Standing *et al.*, 1996: 124-5).

Some or even many people in marginal forms of income-earning activity probably do not regard the work they do as a proper job. However, this does not mean that measured unemployment rates are substantially incorrect: those who report themselves as unemployed, but who then admit to any other forms of income earning activities, are typically reclassified as employed. Moreover, even if the Standing *et al* critique was true, the implication for class categorisation is hardly clear. It is unlikely that many could be classified in occupational class categories on the basis of former casual or part-time employment. Most, we imagine, would have to be classified as former members of the 'petty trader' (W.E.3) class – and then only if their income was sufficient.

We might consider the unemployed to be members of occupationally-defined classes on the basis of their prospective *future* employment. Without panel studies of employment histories, we have no data to enable us to even attempt this. Even if we had data, however, it is not clear that there is a strong case for categorising

people according to their future position in the social structure. Should we classify an unskilled worker as intermediate class if we know that he'll be promoted to supervisor sometime in the future? Should we classify a domestic worker as a semi-professional if we know that she will work as a teacher sometime in the future? It is clearly important to understand patterns of individual and inter-generational mobility, but there are also clear problems involved in classifying people today according to their position in the social structure in five years' time, or even one year's time. The duration of unemployment is presumably crucial here.

4. Who Gets Jobs? Identifying the 'Truly Disadvantaged' in South Africa

'The unemployed are not a homogeneous group', as Borat and Leibbrandt (1996) remind us. Some experience systematic disadvantage than others. At any one time, some of the unemployed have not been unemployed for long and some will not remain unemployed for long. They might well be considered temporarily displaced workers. In a few cases, they might even be 'choosing' to be unemployed in the sense that they could find employment but prefer to wait and look for a more desirable job. Many, however, are long-term unemployed.

Kingdon (1999) summarises some of the differences between the long-term and short-term unemployed. Their household *per capita* income is as much as one-third lower, on average. The proportion below fixed poverty lines is higher. They have less education, are more likely to be African, and are less likely to live in urban areas. They typically have fewer amenities (such as a toilet, running water and electricity) at home, and the roads to where they live are likely to be impassable at certain times of the year.

The duration of unemployment might contribute to disadvantage. As the duration of unemployment lengthens, so people may become less employable (i.e. less attractive to employers) or they may lose the capacity to seek or secure employment. But the duration of unemployment is also the product of other, underlying causes of disadvantage, including especially differential links to employment opportunities. Some people are more likely to experience long-term (or indefinite) unemployment than others in part because they are already in a much more marginal position in the labour market.

Another source of systematic disadvantage is the *human capital* of the unemployed. Borat (2000) has argued that some of the unemployed are 'unemployable' because they lack the minimum skills demanded in the labour

market today. Among the older unemployed are many people who lack any secondary education. Typically they used to work on the mines or farms, but were retrenched, and now live in rural areas. The decline in demand for unskilled labour means, according to Borat, that these men and women are unlikely ever to find permanent employment. Until we have better longitudinal (and especially panel) data on labour market participation, it is difficult to assess the true extent of ‘unemployability’.

A further source of systematic disadvantage is the *social capital* of the unemployed. If unemployed people get jobs primarily through connections and networks, then their connections constitute a specific kind of social capital. Again, the absence of panel data makes it difficult to assess the significance of networks, but there is considerable evidence from a range of sources suggesting that people find jobs and employers fill vacancies through informal networks. Erasmus (1999: 59) found, in a survey of 2000 unemployed people in six provinces, that ‘most relied on their family and friends who were employed to inform them of vacancies and/or put in a good word for them with their employers’. Standing *et al.* (1996: 323) report that only 26 percent of manufacturing firms fill vacancies through advertising. Only 7 percent employ people who had applied directly at the factory gate. Thirteen percent said that they hire former employees, and 41 percent said they hire the friends and relatives of existing workers. Employers rely on informal channels in part because they face huge numbers of equally ‘qualified’ potential applicants: ‘The “formal” qualifications (notably the matric school leaving certificate) cease to be of value in a context in which there are literally tens of thousands of applicants who all share these qualifications’ (Wittenberg, 1999). Indeed, Wittenberg and Pearce (1996) show, education is a poor predictor of the probability of employment.

This level of ‘internal’ recruitment does not have a long history in South Africa. Under apartheid, huge effort was put into the bureaucratic allocation of black labour through pass laws, the administrative institutions of labour bureaux, magistrates and administration boards, and the coercive institutions of the police and courts. Manufacturing employers appear to have been the first to circumvent this system. McCartan (1984) interviewed forty-three large and medium-sized firms in the Port Elizabeth and East London metropolitan areas, and found that a considerable degree of internal recruitment of skilled and semi-skilled workers and supervisors. He found that unskilled workers were often recruited by ‘word of mouth’, thus extending a screening process to the entire labour market. The mines, farms and state seem to have persisted with the administrative system for longer, especially for unskilled labour (Greenberg & Giliomee, 1985). African people have long sought to circumvent controls – hence the large number of prosecutions for pass law offences – but it was relatively recently that the system completely

broke down, replaced by a 'free' but inegalitarian labour market. Stratification by ownership of human, social or other capital has replaced stratification by legal status under the pass laws.

Survey data from the 1990s indicates how fast labour markets changed. If employers were filling vacancies through the networks formed around their existing workers, then we might expect that the employment status of other members of the household would be a powerful predictor of employment. Wittenberg found that this was the case. The unemployment rate was much higher, for example, among the wives of unemployed men than among the wives of employed men. Among people who lived with their parents, unemployment was much higher among those with unemployed parents than among those whose parents worked (Wittenberg, 1999). Wittenberg came to the 'uncomfortable conclusion' that 'employment and unemployment do tend to cluster in households' (*ibid*).

Further evidence of the importance of networks is supplied by Samson *et al* (2000: 13). They report that there is a strong correlation between living standards prior to finding a job and the prospect of finding a job. Unemployed people living in high income households have a much better chance of securing employment than unemployed people living in low income households. Samson *et al* seem to suggest that the success rate in the top income quintile is four times as high as that in the bottom quintile.

Another aspect of the importance of networks was illustrated in a report in the union-based *South African Labour Bulletin*. A die-casting factory on the East Rand, like most employers, filled most vacancies word of mouth, with existing workers telling family members. But unemployed people protested against this 'nepotism', forcing the employer to recruit by open lot. Six thousand unemployed gathered outside the factory gates, to participate in some kind of a lottery for about one hundred vacancies. Tragically, eight were shot dead in a 'drive-by' shooting. The shooting, according to Harvey, was the result of rivalry between two unions within the factory, with each seeking to control who was appointed (Harvey, 1996). In an economy where jobs are scarce, access to employment is an important resource, and control over that access warrants fighting – and killing. Unions seek to control new appointments, and this undoubtedly serves to advantage those unemployed who are linked to people already in employment and to disadvantage those who have no such links. Other employers, such as Toyota, operate a pool system whereby vacancies are filled by former employees or the family members of current employees. It is surely the case that the number of discouraged unemployed in South Africa is large, in part because vacancies are so often filled through such channels. Thus it is likely that, among the unemployed, there are

some with good prospects for employment and others with poor prospects, and that the former are more likely to be members of mixed working/unemployed households.

Access to employment opportunities presumably reflects some combination of location and social capital. In some areas, there are so few job opportunities that social capital does not count for very much in terms of finding employment locally. But, in the South African labour market, where an unemployed person is located is in part the product of other factors. Klasen and Woolard (1998: 21-2) point to the interconnectedness of factors in arguing that the unemployed comprise two groups:

‘The one with bleaker job prospects, better access to resources in rural areas (pensions, land etc), little connections in urban areas and deterred by the high costs of urban living, and possibly less motivation remains in rural areas or goes to rural areas to attach themselves to a household of parents and relatives. It then does not engage in search activities and thus ends up among the broad (expanded) unemployed. The second group, with better job prospects, less access to resources in rural areas, better connections in urban areas, and possibly more motivation, attaches themselves to a household of parents or relatives in urban areas and then searches for employment’.

Unemployed people are likely to divide into two different categories: discouraged job-seekers who remain in (or return to) the rural areas and active job-seekers in (or who move to) the towns.

There is evidence of the importance of social capital to the unemployed in finding employment in distant parts of the country. Many rural people found employment as migrant workers through ‘homeboy networks’; even in the early 1990s, such networks resulted in people from certain villages being employed in specific firms. Sperber found that a high proportion of migrant workers from one village in the Ciskei were employed in two specific dairies in Cape Town and Port Elizabeth (1993: 35-6). By contrast, those rural dwellers without good connections in the cities are likely to be marginalised. Simkins (1978) reported that migrant workers returned to the rural areas because they lacked contacts in the towns. Unemployed people in Phuthaditjhaba (the old QwaQwa Bantustan) say that they do not move to the cities in search of work because they do not know anyone they could stay with (Nattrass, 2000a). Baber (1999) found that networks were crucial to employment prospects in the Northern Province. ‘Many of those who were resident in the rural settlements throughout the twelve-month study period were waiting for news from friends and relatives of new opportunities within the urban labour

market' (204). Baber found that men from one village were more successful in securing semi-skilled employment than men in a second village, despite being less educated, in part because they were 'able to draw on well developed migrant networks' that were largely absent in the other village (*ibid*: 216). He concludes that the South African labour market comprises 'a protected group of "insiders" and a considerably worse-off group of residual "outsiders"', trapped in unemployment or in low-paid, unskilled jobs with high rates of turnover (*ibid*: 219-20).

Social capital thus comes in different forms. In some parts of the country, social capital might be primarily intra-household, if access to employment opportunities is dependent on other household members who have jobs. In other parts of the country, social capital will take the form of links to friends and relatives who are not only outside the household but may well be in distant parts of the country. The unemployed who remain in rural areas (especially rural areas in the Eastern Cape and Northern Province) where there are few job opportunities are probably the unemployed who lack the social capital to escape the constraints of location.

Table 2: How people get jobs (Cape Town, 2000)

	<i>First job %</i>	<i>Most recent job %</i>	<i>Current job %</i>
A household member told me about the job	15	9	10
A household member got me the job at their workplace	4	4	4
A friend/relative (in a different household) told me about the job	35	33	35
A friend/relative (in a different household) got me the job at their workplace	10	12	10
I responded to a newspaper advertisement	4	6	9
I went to a factory and waited outside until I got the job	12	13	10
I knocked on factory gates and visited private homes and shops until I got the job	10	10	8
I got the job through an employment agency	3	3	3
I waited on the side of the road until I got a job	1	1	0
I found the job on a notice board in a community centre, shopping centre, etc	0	0	1
Other	6	7	12
Total	100	100	100

The only detailed recent data on the importance of social capital in the labour market comes from the Khayelitsha/Mitchell's Plain Survey (K.M.P.S.) conducted in late 2000 in African and coloured residential areas in Cape Town. A survey in metropolitan Cape Town only captures patterns in one, atypical corner of the labour market. A fuller understanding requires similar data from rural areas. And a single cross-sectional survey cannot provide the kind of data that a panel study would generate. Nonetheless, the survey confirms the importance of social capital in securing employment. Table 2 shows that almost two-thirds of the people who had had a job said that they got their first job through friends or family. Almost as high a proportion of people got their current job through friends or family, or got their 'previous' job (i.e. their job preceding their current job, or their most recent job if currently unemployed) the same way. Table 2 suggests that, for people working in Cape Town, friends or relatives in different households are more important than members of the same household. In the same survey respondents were asked whether they agreed with the statement 'employers employ the friends and relatives of their existing workforce rather than other people'. Thirty-eight percent agreed, and 43 percent agreed strongly; hardly anyone disagreed.

Unemployed respondents were asked whether they had 'employed friends or family members who say that they may be able to find you work at their workplaces'. Almost equal proportions said 'yes' and 'no' (47 percent versus 53 percent), indicating that even in this urban area the unemployed do not report equal social capital. The unemployed with this social capital report a slightly longer duration of unemployment, on average, but this means little in the absence of controls for age, date of entry into the labour market and so on. Much more revealingly, the unemployed with social capital were much more optimistic about finding employment than the unemployed without social capital (see Table 3). The proportion of unemployed with social capital who think that there is a realistic possibility of finding a job within the next month was twice as high as the proportion of unemployed without social capital.

Table 3. Expected chances of finding employment, according to whether unemployed have social capital (Cape Town, 2000)

		<i>Unemployed with social capital</i>	<i>Unemployed without social capital</i>
		<i>% saying yes</i>	<i>% saying yes</i>
Do you think there is a realistic possibility that you will get a job in the next month?	43	22
	... the next three months?	58	37
	... the next six months?	64	47
	... the next year?	71	56

Unsurprisingly, unemployed people with social capital were much more likely than those without to have used networks to try to find work. More interestingly, unemployed people with social capital were also more likely to have looked in newspapers.

We also asked whether respondents agreed that ‘people who have had jobs before have a better chance of getting a job than someone who has never had a job before’. Responses were similarly positive (with 44 percent agreeing and 36 percent agreeing strongly). The data indicates clearly that people in these areas not only get jobs primarily through networks but also perceive the labour market as favouring people with contacts and previous work experience.

A final factor contributing to systematic disadvantage is a lack of *financial capital*. Financial capital can assist an unemployed person in escaping unemployment by facilitating job search (including movement to locations where there are more job opportunities) or by making it possible to set up a small business, whether formal or informal. In the K.M.P.S., 78 percent of the unemployed said that they had not become self-employed because they lacked the money to start a business, and a further 3 percent said that they were unable to borrow money.

5. Measuring Disadvantage among the Unemployed

There are theoretical and empirical grounds for identifying six possible factors underpinning or associated with special disadvantage in the labour market. These are not mutually exclusive: some might apply to one section of the unemployed,

others to a different section; alternatively, different factors might combine for any one group of unemployed. The factors are:

- unemployability, in terms of lack of skills: even if unemployment affects the highly-schooled as well as the unschooled, the lack of (say) secondary education might well preclude most employment;
- a lack of social capital, in terms of living in a household where no one has the connections to help secure a job;
- a lack of social capital, in terms of having no friends or relatives (in other households, perhaps some distance away) who can help to access employment opportunities;
- a lack of financial capital, preventing the unemployed becoming self-employed;
- location, in terms of the availability of local jobs in relation to job-seekers and the distance from other locations where the prospects of securing employment are better;
- the duration of unemployment, insofar as it contributes to unemployability in ways other than the above.

Optimally, we would be able to measure these different criteria and assess the extent to which they overlap (using a single data-set), and then examine the relationships between them – individually and collectively – and exits from unemployment (using panel data). Having established a good measure of disadvantage, we would then compare this with some of the other consequences of class, such as attitudes or political behaviour, living conditions and social relationships, health and so on.

This ideal cannot presently be achieved. Attempts have been made to measure each of these factors, albeit somewhat experimentally in the case of the social capital questions (with the K.M.P.S. asking about ‘employed friends or family members who say they may be able to find you work at their workplaces’). But there is no data-set that covers the whole set of factors, with a sample from both rural and urban areas, and can link these adequately to exits from unemployment, yet alone to other social and political phenomena. The P.S.L.S.D. did not ask about the duration of unemployment. The K.M.P.S. does not cover any rural area. Surveys that provide data on the duration of unemployment and household employment patterns (such as the Labour Force Surveys) generally do not ask adequate questions about social capital, and do not allow for a full construction of social class positions. As with the study of class in South Africa in general (see Seekings, 2003), we are forced to take short-cuts.

To use existing countrywide household survey data such as the P.S.L.S.D., we must concentrate on one key factor. The P.S.L.S.D. data allows us to measure social capital in terms of the employment status of other members of the

household. We can divide the unemployed into two separate categories: unemployed people living in households where another household member is working (i.e. with social capital) and those living in households where no one is working (i.e. without social capital). Because the P.S.L.S.D. defines the 'household' as including people who live in the homestead or stand for as little as fifteen days out of the past year, this definition of social capital covers many connections to family members who are migrant workers elsewhere in the country. This measure of social capital does not capture links to family and friends living permanently in other households, including family members who live elsewhere and remit income but never return to the homestead.

Further research can be done using existing data on the relationships between pairs of these factors. Education has already been compared with the duration of unemployment (e.g. Borat, 2000) – although more care needs to be taken in the analysis of people who have not been unemployed for long, as they might be either 'temporarily unemployed' or simply people who have only recently left school or been retrenched but will remain unemployed for a long time. The Labour Force Survey can be used to compare the duration of unemployment with household composition or what we might call the 'household unemployment rate' (i.e. the proportion of adults wanting work who are working). The P.S.L.S.D. and other surveys can be used to expand the measure of social capital, for example to include links to people in other households such as people who regularly remit income. But the key questions can only be asked using data that does not currently exist.

Lacking such detailed data, we can only be tentative. But the available data does seem to suggest that we can identify an underclass of unemployed, comprising those unemployed (and the other members of their households) who lack social capital as measured by the absence of working household members. Many of the unemployed can be considered less disadvantaged, and hence as temporarily unemployed members of the working or other classes, because they do have access to social capital in the form of familial networks. The effect of living in households without networks is similar to the effect of living in segregated impoverished urban neighbourhoods in some American cities (according to Wilson or Massey & Denton).

6. Unemployment, the Underclass and Household Income

There is a strong relationship between unemployment and inequality in South Africa. Almost two-thirds (62 percent) of the unemployed are in the poorest half of the population (see Table 4 below). This is in stark contrast to people in regular employment, less than one quarter of whom are in the poorest half (and these are predominantly farm-workers and, to a lesser extent, domestic workers – i.e. not members of the industrial working-class). The unemployment rate is inversely related to household income: it stands at 71 percent in the bottom income decile, falling to 48 percent in the third decile, 33 percent in the sixth decile, 24 percent in the eighth decile and a mere 5 percent in the top decile. Participation rates are also related to income (positively). Thus a majority of households in the bottom four deciles have no members in employment, whilst fewer than 20 percent of households in deciles 7 and 8 and fewer than 10 percent of households in deciles 9 and 10 are in the same position. Wages rise as a proportion of household income as one moves from lower to higher deciles. These income deciles are composed of households ranked by disposable household incomes, with no allowance for household size or composition. The relationship between unemployment rates and incomes is more pronounced if one uses deciles defined in terms of income *per capita* (or per adult equivalent).

Table 4. Distribution of the unemployed, by income decile (South Africa, 1993)

<i>Income decile</i>	<i>All unemployed individuals (%)</i>	<i>Households with some employed and no unemployed members (%)</i>	<i>Households with both employed and unemployed members (%)</i>	<i>Underclass households (i.e. with no employed and some unemployed members) (%)</i>
1	16	3	5	32
2	13	5	8	20
3	11	7	7	17
4	11	9	9	13
5	11	9	13	8
6	11	11	15	6
7	10	12	15	2
8	10	12	15	1
9	6	15	10	0
10	2	17	3	0
Total	100	100	100	100

If we distinguish between households according to the mix of employed and unemployed people within them, we see a still more striking pattern. The second, third and fourth columns in Table 4 set out the distribution of households according to their mix of employed and unemployed household members. Households with neither employed nor unemployed members, i.e. without any members in the labour force, are excluded from this table.

There are clear differences between the distribution of households with only unemployed members, households with only employed members, and households with both employed and unemployed members. Among the fully employed households, fully two-thirds are in the top five deciles. Among the entirely unemployed households, in contrast, only 9 percent were in the top five deciles, with over two-thirds in the bottom three deciles alone. Households with both employed and unemployed members are less concentrated, but there is a bigger cluster in the middle deciles (with over half – or 58 percent – in deciles 5 to 8). Put simply, if income is a measure of privilege, fully employed households are clearly privileged relative to entirely unemployed ones, and partly employed households are somewhere in between. If we define the underclass as comprising entirely unemployed households, on the basis of their relative exclusion from employment opportunities, we can see that this class is especially poor.

Bhorat and Leibbrandt come to similar conclusions using *per capita* rather than aggregate household incomes. They report that almost two-thirds of the unemployed live in households with incomes below the poverty line. Moreover, a majority of those unemployed who are fortunate enough to be in multiple-income (and even multiple-worker) households fall below the poverty line, indicating that many households with both employed and unemployed members are in low wage sectors of the economy (1996: 154-5). This accords with our finding, reported above, that almost as many unemployed people live in households in the marginal working class as in the core working-class.

It should be reiterated that all of this analysis takes households as the unit of analysis, and does not problematise the distribution of resources within households. It is quite possible that unemployed people in households with some working members have less of a claim on the household's resources, and enjoy a lower standard of living than even *per capita* data would suggest.

Bhorat and Leibbrandt have already demonstrated that poverty is pervasive among the rural unemployed: 81 percent of the rural unemployed are below the poverty line, compared to 59 percent of urban and 39 percent of metropolitan unemployed. This is especially telling because unemployment rates are higher in rural than urban

or metropolitan areas (1996: 153). Working people are certainly privileged relative to the unemployed in terms of income. Their superior quality of life is reflected in their living conditions also. Consider some differences between households in which every economically active person is employed and those in which every economically active person is unemployed (i.e. the 'underclass'). Fifty one percent of the former households have internal piped water, compared to just 10 percent of the latter households. Two out of three of the former have flush toilets, compared to just 18 percent of the latter. About one in three of the former have telephones, compared to one in thirty of the latter. Of the former, 54 percent said they were satisfied or even very satisfied with life; only 22 percent of the latter said the same – with 71 percent saying they were dissatisfied or even very dissatisfied. By a range of such criteria, working people enjoy a range of privileges relative to the unemployed. The unemployed are also marginalised with respect to a range of public services. Most unemployed are not eligible for the Unemployment Insurance Fund, for example. Many employed people – and not just rich, white people – have access to private pension and medical funds.

Of course, the employed are themselves heterogeneous, falling into various class categories. Table 5 below sets out some of the differences between the underclass and selected other classes (as set out in Table 1 and Figure 2, except that the 'W.E.' classes and S.P.C. are omitted). Note that the category which we had previously labelled 'other' has now been split up into the 'underclass' (i.e. households with unemployed members and no employed members) and a 'residual' class of households comprising only non-labour force participants (i.e. those not available for work), which we shall refer to by the ugly acronym of the N.L.F. or 'no labour-force' class.

Table 5 shows that there are marked differences between the indicators for the core working class (C.W.C.) and the underclass. Underclass households are less likely to be living in a house, less likely to have piped water or a toilet inside the dwelling, and less likely to be satisfied with life. The unemployment rate is much higher, of course, and household income is much lower. Underclass households see jobs as a more pressing problem than do core working class households. And the educational attainment of their children is retarded relative to the children in core working class households. Underclass households also compare unfavourably with marginal working class households according to some indicators, but not others (such as education). The indicators for other or N.L.F. households are also mixed. This data suggests that the quality of life of underclass households is worse than that of core working class households, but not so much worse than marginal working class households.

Table 5. Selected social and economic indicators, selected classes (South Africa, 1993)

	<i>UC</i>	<i>IC</i>	<i>CWC</i>	<i>MWC</i>	<i>Under-class</i>	<i>Other/NLF</i>
% living in a house or part of a house	76	63	44	48	38	40
Average number of rooms in dwelling	6,3	4,3	3,4	2,9	3,9	3,6
% with piped water inside dwelling	90	51	31	23	10	n/a
% with toilet inside dwelling	89	48	32	14	18	n/a
% very satisfied or satisfied with life	66	38	29	25	16	23
Unemployment rate (%)	8	18	25	26	100	0
Mean household income (R/month)	6 573	2 257	1 187	618	377	442
Mean <i>per capita</i> household income (R/month)	1 730	480	253	137	n/a	n/a
% saying jobs were the thing that the government should act on to improve most the household's living conditions	14	29	35	29	43	19
Mean educational attainment at age fifteen (grade)	7,6	7,1	6,5	5,3	6,1	6,2
Mean educational attainment at age nineteen (grade)	10,8	9,5	8,8	7,7	7,6	8,7

Note: the smaller classes (SPS and WE classes) are omitted.

Income Support

If we define the underclass in terms of disadvantaged access to employment, measured in terms of what might be called the household unemployment rate, then where do underclass households get their income from? Table 6 sets out the composition of income for the underclass, the residual or N.L.F. class and selected other classes. The underclass and N.L.F. class receive nothing from wages (by definition), whereas wages provide the overwhelming share (between 80 and 90 percent) of income in the upper, intermediate, core working and marginal working classes. The underclass and N.L.F. class are instead dependent on public welfare

(pensions and other transfers), which accounts for 57 and 51 percent of their income respectively. Remittances comprise the second major source of income, accounting for 36 and 41 percent respectively. Table 6 shows that these classes earn small percentages from other sources (bearing in mind that a small percentage of a low income is a very small amount).

Table 6. Sources of income of the underclass and N.L.F. class compared to selected other classes (South Africa, 1993)

<i>Source of income</i>	<i>UC</i>	<i>IC</i>	<i>CWC</i>	<i>MWC</i>	<i>Under-class</i>	<i>Other (NLF)</i>
	%	%	%	%	%	%
Wages	83	90	89	81	0	0
Remittances	0	1	3	6	36	41
Agriculture	1	0	0	2	5	5
Self employment	3	1	1	0	1	6
Pensions	0	2	5	9	46	43
Other public transfers	0	1	2	2	11	8
Capital income	12	5	1	1	4	1
Total	100	100	100	100	100	100

Note: See Table 5.

The underclass is less dependent on remittances – i.e. private, inter-household transfers – than on welfare, but remittances are clearly important. This reflects two factors: first, the absence of any welfare provision for most of the unemployed and, secondly, the existence of inter-household links between even the designated underclass households and other households. The underclass households are not completely disconnected. This confirms again the importance of searching for more nuanced proxies for labour market marginalisation than the household unemployment rate alone.

Social networks are important for the survival of the unemployed. Some scholars have taken the argument one step further, pointing to remittances as evidence that working and unemployed people should be considered to be members of the same social group or class. The Labour Caucus at NEDLAC claims that ‘It is the employed workers who provide the social security net for the unemployed ... Given the absence of a publicly-funded welfare net in South Africa, workers provide

accommodation, food and other help to the unemployed family members' (quoted in Bhorat and Leibbrandt, 1996: 144). Torres (1996) claims that 'There is no doubt as to who is currently carrying the major burden of redistribution' (87) – and the answer is the working class.¹

Table 6 shows that public welfare is more important to the underclass than remittances, by a ratio of 57 percent to 36 percent. If we take all unemployed individuals, however, then public welfare is of lesser importance. Consider first *intra*-household transfers within households not classified in our underclass. Almost half (47 percent) of the unemployed live in households with at least one formal sector wage worker (Bhorat and Leibbrandt, 1996: 154-5). In the preceding analysis we identified these unemployed as having a mediated class position by virtue of their membership of households that included at least one working member, whose occupation determined the class of the household as a whole. But, as we have seen already (Table 4), these tend to be the better off unemployed; the poorest unemployed are not in this relatively privileged position. A further 22 percent of the unemployed, i.e. some of our underclass category, live in households that receive half or more of their total household income in remittances. In total, therefore, about 70 percent of the unemployed are dependent primarily on inter- or intra-household transfers, almost all from wage-earners. In other words, the unemployed divide into three groups: those dependent on intra-household transfers within wage-earning households, those dependent on remittances from mostly (but not exclusively) wage-earners, and those dependent primarily on other sources of income. The latter two groups are combined in our underclass category.

How significant are flows of remittances to the underclass? Survey data indicates that remittances entail the redistribution of the equivalent of 5 percent of wage income (and 4 percent of total income) in South Africa as a whole. The P.S.L.S.D. data allows us to identify households that either receive or send remittances, although unfortunately it is not possible to match up donors and recipients and hence identify which classes remit to which other classes. Taking recipients first, the data shows that not all recipients of remittances are poor: over half of the total amounts received in remittances are received by households in the top five income deciles. Table 7 shows the recipients of remittances by class.

¹ Actually, Torres is not clear on this: she writes that 'Workers already carry a large share of the responsibility' – and cites figures showing that almost as many poor households rely on remittances as rely on government pensions. She provides no evidence that workers carry the 'major' burden – but this is clearly her implication.

Table 7. Who receives remittances, by class (South Africa, 1993)

<i>Class</i>	<i>Households in class that received remittances as % of all households receiving remittances</i>	<i>Mean remittance (R/month) for class</i>	<i>Remittances received as % of income for class</i>	<i>Share of total remittances received (%)</i>	<i>% of households in class that received remittances</i>
W.E.1	2	49	0	2	18
Upper class	2	28	0	3	6
W.E.2	1	29	1	1	10
Semi-prof. class	3	62	2	4	17
Intermediate class	7	30	1	8	10
W.E.3	4	73	5	5	24
Core working class	9	33	3	8	14
Marginal working class	9	34	6	6	20
Underclass	25	135	36	22	57
Residual N.L.F. class	37	183	41	41	61
Total	100			100	
Average		72	4		27

One in four households receiving remittances are in the underclass (see the first column in Table 7). A larger proportion (37 percent) of recipient households are in the residual N.L.F. class, i.e. households with nobody in the labour force (whether employed or unemployed). There are smaller proportions in other classes, especially the intermediate, core working and marginal working classes. The second column shows that the average household in the underclass and residual class receives R135 and R183 per month in remittances, i.e. one-third or one-half of the value of an old-age pension. Unsurprisingly, the average amounts received in other classes are much lower. The third column shows that remittances constitute a significant share of household income for the underclass and residual class only. The fourth column shows each class's share of the total amount of remittances received by all classes. The proportions here are similar to the figures in the first column. The final column indicates the proportion of households in each

class that receives remittances. Unsurprisingly, again, the figures are high for the underclass and residual class – at about 60 percent – and much lower for other classes.

Turning to those who send remittances, we can see that most, but not all, remittances are sent by the core working class and intermediate class. Table 8 shows which households send remittances, and how much, by class. The classes with the largest numbers of households sending remittances are indeed the core working class (34 percent), the intermediate class (25 percent) and the marginal working class (11 percent). These classes' shares of the total remittances sent are 33 percent, 24 percent and 6 percent respectively. But as much as 22 percent of the total remittances were sent by households in the W.E.1 class, upper class and W.E.2 class combined. The core working class remits 6 percent of its total income, which is the highest percentage of any class. The core working class is also the class with the highest percentage of households in the class sending remittances, at 31 percent (compared to 17 percent of all households).

Combining the data in Tables 7 and 8 allows us to identify the net transfers through remittances between classes. This is set out in Table 9. The intermediate and core working classes are the major sources of redistribution: their share of remittances sent exceeds their share of remittances received by a combined 41 percent. The upper class is also a significant source of redistribution. Indeed, the first three classes combined are a larger source of redistribution than the intermediate class. The underclass and, especially, the residual N.L.F. class are the major beneficiaries. Their share of remittances received exceeds their share of remittances sent by a massive 20 and 38 percent respectively. The residual N.L.F. class benefits considerably more than the underclass.

Table 8. Who sends remittances, by class (South Africa, 1993)

<i>Class</i>	<i>Households in class that sent remittances as % of all households sending them</i>	<i>Mean remittance sent for class (R/month)</i>	<i>Remittances sent as % of income for class</i>	<i>Share of total remittances sent (%)</i>	<i>% of households in class that sent remittances</i>
WE1	2	46	0	4	9
Upper class	7	55	1	14	14
WE2	2	81	2	4	15
Semi-prof. class	6	42	1	6	21
Intermediate class	25	48	2	24	23
WE3	4	22	2	3	13
Core working class	34	66	6	33	31
Marginal working class	11	20	3	6	17
Underclass	4	7	2	2	6
Residual N.L.F. class	6	6	1	3	
Total	100			100	
Average		36	2		17

Remittances constitute a significant form of redistribution between households and between classes. But what level or distribution of remittances would suffice to consider the dependant or recipient as falling into the same social group as the donor household, i.e. how large a financial link would suffice to render the recipients displaced or mediated members of the donor's class? Clearly, if remittances were paltry, we would not consider automatically that the dependant and the donor were in the same class position.

Table 9. Remittances sent and received, by class (South Africa, 1993)

<i>Class</i>	<i>Share of total remittances received (%)</i>	<i>Share of total remittances sent (%)</i>	<i>Difference</i>
W.E.1	2	4	-3
Upper class	3	14	-11
W.E.2	1	4	-3
Semi professional class	4	6	-2
Intermediate class	8	24	-16
W.E.3	5	3	+2
Core working class	8	33	-25
Marginal working class	6	6	0
Underclass	22	2	20
Residual N.L.F. class	41	3	38
Total	100	100	0

On the basis of reasonable assumptions, we can see that the majority of unemployed people receive some financial support from working people in the intermediate class, core working class and marginal working class. Firstly, we know that about 42 percent of the unemployed are living in households that are in these classes. Secondly, of the 53 percent of unemployed people who are in the underclass, 57 percent live in households that receive some remittances, although in some cases remittances will constitute only a small proportion of their income. If we guess that nine-tenths of these receive their remittances from friends and relations who are themselves in the intermediate, core and marginal working classes, then we can estimate that the total proportion of the unemployed who are supported to some extent by these three classes is equal to 0.42 plus nine-tenths of 0.57 times 0.53. This works out at about 0.69, or 69 percent. It is thus correct that, in the absence of any public welfare system for the unemployed, the working classes (broadly defined so as to include the intermediate class also) shoulder much of the burden of supporting the unemployed. At the same time, however, we must note that almost one-third of the unemployed receive no support at all from these three classes and, within the underclass itself, households are more dependent on old-age pensions than they are on remittances.

Further research is required concerning the relationships between donor and recipient. Does it make any difference whether remittances are sent by and to immediate family members? This has a bearing on how we conceptualise and operationalise the underclass: should absent family members be included in the definition of the underclass? (And if so, why only this class?).

It has also been argued that workers support the unemployed indirectly. Workers spending means more jobs, which is especially beneficial for the unemployed if workers spend their money in those areas where the unemployed live and are therefore able to find informal employment, for example as hawkers. A macro-economic version of this argument entails rising wages leading to economic growth, i.e. wage-led growth (see COSATU, 1996). This view has been described as a kind of ‘radical trickle-down theory’ – referring by analogy to the left critique of the view that economic growth is good for the poor. In radical trickle-down theory, rising wages for working people leads to benefits trickling down to the unemployed through increased spending and the employment growth this generates. Such an approach is integral to the government’s hard ‘high-productivity-now’ growth strategy (see Natrass, 2001).

Even if higher wages do raise demand and hence lead to economic growth (which is dubious, especially in an open-economy context), it is certainly not evident that they would lead to employment growth. In the past, economic growth has been biased more in favour of higher wages for people already in employment than more jobs for the unemployed. There is also evidence that employment is inversely related to wages. Formal wage employment has fallen steadily across the 1990s, whereas average real wages have risen sharply.

The distributional effects of wage increases are very uncertain. Indeed, it is far from clear that the unemployed would benefit more from increased spending by workers than they would from increased spending on investment out of profits, or even from increased spending by upper class households. We are not aware of studies that compare the expenditure patterns of different classes or of investment as opposed to consumption in sufficient detail to identify their redistributive consequences.

To get a full picture of financial transfers to the unemployed and poor, we shall need to consider also the incidence of taxation and government expenditure. These are entirely ignored in most studies (including Torres, 1996). McGrath *et al.* (1997) estimate that the top quintile (i.e. the ninth and tenth deciles) pay between 76 and 80 per cent of all taxes. The fourth quintile (i.e. the seventh and eighth deciles) pay about 12 per cent of all taxes. The poorest 60 percent of the population pay, in total, only about 10 per cent of all taxes. McGrath *et al.* do not provide data broken down by class but, given the distribution of classes across deciles (see Seekings, 2003: Tables 12 and 13), we can safely assume that the share of taxation paid by the core and marginal working classes is small; even if we include the share paid by the intermediate class (which comprises a significant minority of the top two deciles), the share is likely to be about one-third. More importantly, it is almost

certain that these classes receive a larger share of public expenditure than they pay in taxation. Any redistribution to the poor – including the unemployed poor – through the fiscus is redistribution from the higher classes. The value of redistribution from the higher classes to the underclass through taxes and public welfare payments paid in cash is probably about the same as, and may indeed be slightly higher than, the value of redistribution from the intermediate, core working and marginal working classes to the underclass through remittances and tax/welfare payments combined. If we took into account the value of publicly-funded education, health care, housing and so on, then the value of redistribution from the richer classes to the underclass would be significantly greater than the value of redistribution to the underclass from the intermediate, core working and marginal working classes.

Workers and the Unemployed: Different Class Locations?

We have made a case that some unemployed people might be considered to be relative insiders in the labour market, despite being unemployed, on account of their better access to employment opportunities. How is our analysis of the class structure affected by the possibility of a trade-off between wage growth and job creation, i.e. between the interests of the already employed and the unemployed?

One reading of the negative relationship between wages and employment holds that the employed and unemployed have conflicting interests: wage growth for the already employed leads to reduced employment, whereas lower wages would lead to employment growth. However, just because there is evidence of a strong trade off between wages and employment in South Africa, it does not necessarily follow that reducing the wages of already-employed workers is the appropriate strategy for boosting employment. Lower average wages (and more employment) could be brought about through the expansion of lower-wage labour-intensive sectors and activities (i.e. structural change) rather than through lower wages for already employed workers. In this way, new employment growth could occur without any wage reductions for already-employed workers (providing, of course, that their wages were in line with productivity).

The economic growth path has and is not conducive to creating jobs for low-skilled people. It was clearly the case that the apartheid state encouraged capital-intensive growth, thereby boosting average wages whilst reducing the demand for unskilled, low-wage labour. Increased competition from low-wage developing countries in the 1980s and 1990s has eroded the profitability of ultra-labour-intensive sectors,

and the pursuit of a ‘high-productivity-now’ growth path by the post-apartheid government continues the bias against unskilled labour, albeit in a slightly different form (Natrass, 2001). Secondly, labour market institutions – in particular industrial-level bargaining which extends wage-agreements to those workers and firms not party to the agreement – serve to reduce the wage dispersion (Natrass, 2000b). Together, these mean that the interests of the unskilled unemployed, especially, are not being promoted by the state’s labour market, trade and industrial policies. In this sense at least, there is a conflict of interest between the employed and the unemployed.

Given these structural and institutional forces which act against sustained and significant job creation – particularly for the many unemployed with no work experience or marketable skills – the unskilled, inexperienced unemployed are in a profoundly disadvantaged situation. To use Marxist jargon: the unemployed stand in an objectively different relation to the productive forces than the employed; and the relations of production serve to reinforce and reproduce such divisions. There is thus a case for differentiating, in class terms, between the employed and the unemployed. However, as we argue above, some of the unemployed (those living in households with no employed members) are more marginalised than others. This underclass is thus likely to be particularly disadvantaged by their lack of access to what few jobs may be on offer.

We have seen that those unemployed who live in households with working members, and therefore have mediated class positions, are in higher income deciles than households in the underclass (Table 4). We have suggested, but without direct quantitative evidence, that the former have better access to employment opportunities than the latter. Is there any other evidence that unemployed members of the core working class, i.e. who have a mediated class position in that class by virtue of living in the same household as a working person, are privileged relative to unemployed people in the underclass? We do have evidence on the educational attainment of children in different households. In *Working Paper* 31 I showed that there are marked differences by class in the educational attainment of children, such that inequality is likely to be transmitted between generations. Table 4 above shows that the educational attainment of children in the underclass was significantly worse than that of children in the core working class. By the age of nineteen, children in core working class households have reached, on average, more than one grade more than children in underclass households. If we select only those core working class households that have unemployed members, the differences are just as big. In other words, children in core working class households that have unemployed members proceed faster and further through the school system than children in underclass households with (by definition) unemployed members. Class makes a difference to the education of children, even

if we look at unemployed people alone.

7. The Attitudes and Perceptions of the Unemployed

Is unemployment – and especially the special disadvantage experienced by the underclass – consequential in terms of attitudes and perceptions? We have very little evidence on this. Some studies suggest that the unemployed see themselves as different to employed workers. The most striking evidence comes from a study by Moller (1992), based on qualitative interviews and a quantitative survey among a total of 1 300 unemployed African people in 1987 and 1989 in Soweto, Mdantsane (East London) and the Greater Durban area. Just over half (53 percent) met the CSS definition of strict unemployment, with the rest fitting into the expanded definition (*ibid*: 16-7).

Moller found that the unemployed not only had a far lower perceived quality of life than township dwellers as a whole (*ibid*: 50), but also experienced a range of psychological problems arising from unemployment. Unemployed people were anxious, fearful and depressed. According to one unemployed person: ‘Everything is bad; friendship is bad, love is bad, even your own thinking is bad’ (*ibid*: 51). The 1989 survey indicated that:

‘Approximately one in two unemployed felt depressed, nervous, unable to concentrate, had difficulty falling asleep at night, or got angry and upset easily. Three to four in ten felt useless and without energy. There is some indication that the negative mood tone had been brought on by unemployment. Only one-third of the former job-holders reported that they felt depressed while they were still working in a job’ (*ibid*: 54)..

People suffered from boredom. Unemployment also led to problems of self-esteem, although the fact that unemployment rates were so high meant that unemployment was seen as a social rather than purely individual problem.

Moller was told that unemployment was very disruptive of relationships. She reports that 59 percent stated that they often or sometimes felt lonely, 46 percent felt that people avoided them and 55 percent believed that employed people did not really care about their (unemployed people’s) welfare (*ibid*: 84). Eighty-one percent in the pilot study agreed with the statement that ‘people who lose their jobs, lose their friends’. According to unemployed people themselves: ‘Friends are

people that you always share what you have with them. If you are unemployed you have nothing to share, then they walk away from you,' 'The day I lost my job was the day I lost my friends,' 'If you keep asking your friends for cigarettes, beer and bus fare they get fed up and decide to keep away from you until you get a job'. You become 'a menace to your friends asking them for this and that, and finally you go without friends' (*ibid*: 50, 85). Two thirds of the pilot study agreed with the statement that unemployed people cannot expect to get as much love from their families as they did when they were working (*ibid*: 87). Against this, however, over half said that they made new friends – usually neighbours and other unemployed people (*ibid*: 86).

Evidence of household formation adds to this picture. Klasen and Woolard (1998: 17) and Simkins (2000: 11-12) show that unemployment is associated with delays in marriage and independent household formation. Young unemployed people are typically resident in large households; young employed people live in separate, small households (Wittenberg and Pearce, 1996). Simkins (2000: 12) argues further that delays in marriage as a result of unemployment increases the risks of sexually transmitted diseases and AIDS infections.

Employment was clearly viewed as of crucial social and economic importance among the unemployed as well as the employed. According to Moller: 'There is little doubt that the social status and identity of urban blacks are derived from working in a job regardless of the intrinsic satisfactions it confers. It is noteworthy that workers frequently wear their working apparel after hours as a badge of social identity' (1992: 10). The unemployed were asked if they agreed or disagreed with the following: 'Conditions in most jobs in which blacks are employed are so bad, it is often better to be unemployed': 83 percent disagreed, 15 percent agreed and 2 percent were undecided (*ibid*: 115). Asked what were the most serious problems facing people, most cited unemployment (*ibid*: 72).

Not only do the unemployed tend to see themselves as different from employed people, in certain important respects at least, but they are also critical of trade unions' roles in inhibiting job creation. Asked by Moller what were the causes of unemployment, most unemployed people cited economic factors including labour issues. Some blamed immigration by foreign workers (*ibid*: 136-8). Others blamed trade unions. Moller provides examples of the latter: 'The closing of companies because of the trade unions; trade unions promote disinvestment; I don't know why the trade unions acted this way' (*ibid*: 137); 'Employed people are striking for better wages; their protest blocks the chances for the unemployed' (*ibid*: 137). Similar criticisms have been expressed by organisations claiming to represent the unemployed, including the Unemployed Masses of South Africa (claiming 32 000 members) and the Malamulela Social Movement for the Unemployed (claiming 10

000 members) – although it should be acknowledged that both organisations had links to opposition political parties (Vlok, 1998).

Some corroboration is provided in a study by Charney, based on focus group research among African people in late 1994. Charney was primarily interested in gauging the expectations of African people after the elections but, in probing what people expected to receive, he uncovered fascinating accounts of why people did not expect to get more. He found that expectations were modest among most sections of the African population, in large part because people saw that the government operated within tight economic constraints. In this unpromising economic climate, most people were very critical of strikes because they were seen as discouraging investors and jeopardising growth (Charney, 1995: 29).

The attitudes of many working and most unemployed people do seem to differ with regard to the priority attached to job creation. Each of the focus groups in Charney's study was asked the following: 'Some people say, "Workers should get the highest possible wages they can, based on their skills and experience." Others say, "Workers should be willing to accept lower increases so that more people can get work." What do you think?' (*ibid*: 7-8). Almost all of the groups favoured the second option – with the dissenters coming from precisely those groups that stand to gain the most from a high-wage, low-employment scenario.

'Higher wages received preference over job creation only amongst the trade unionists and some formal township dwellers, particularly better-educated youth. They argued that the highest possible wages are the fairest, both to reward skill and experience and to reduce poverty. If wages are held down, it should be those of whites, not blacks' (*ibid*: 7-8).

Unionised African workers' views might be self-serving, but may well be based in a moral perspective on justice and injustice. They may compare their positions and incomes with those of their bosses (mostly white), white workers, or white people in general, and see the differences as unjust (which, of course, is not altogether unreasonable). The unemployed and poor, however, presumably see their positions as underprivileged relative to working African people. These different perspectives on the justice of rewards reflect the position of most of the urban, industrial working class above the median but below the mean income, whereas the poor and unemployed are solidly below the median.

The Importance of Jobs

At first glance, Charney's findings sit uneasily with the results of opinion polls that routinely showed at the time (i.e. 1994) that the overwhelming majority of South Africans thought that unemployment was the most important problem facing the country. Indeed, the P.S.L.S.D. survey found that jobs were identified as the most important problem in almost every income decile. If there are marked differences in the priorities of working and unemployed people, as Charney found, why is there such consistency (excepting the very rich) in the identification of jobs as the most important problem facing the country? Closer examination of the P.S.L.S.D. data suggests an answer: how respondents answer the question depends not only on their household income (and hence which decile they are in) or even just the class they are in, but also their own individual labour market status and even the labour market status of other members of their household. In the P.S.L.S.D. survey, data was collected on the entire household from just one respondent. Which household member responded was important for these attitudinal questions. These differences are often disguised when either attitudinal variables are treated as household rather than individual variables or if individuals are not seen as located in households with other members.

In *Working Paper 24* I examined the evidence from the P.S.L.S.D. on attitudes to the importance of unemployment as well as reported general satisfaction with life (Seekings, 2002). Three patterns were clear. First, the priority attached to job creation and general satisfaction varied by class. There was a clear inverse relationship between class and satisfaction, with the 'higher' classes more satisfied than the 'lower' ones. The picture was slightly more complex with respect to the importance of job creation, although the upper class attached least priority to it and the underclass the most. Secondly, there were important differences within each class according to the labour market status of the respondent. Thus unemployed members of the intermediate class, for example, attached much more importance to job creation than employed members of the same class. Thirdly, even employed members of a class were more likely to prioritise job creation if other members of their households were unemployed than employed members of the same class in fully-employed households. The importance attached to job creation and general levels of satisfaction vary not only according to the respondent's class but also according to the respondent's labour market status and even the labour market status of other household members. Respondents in the underclass reported the lowest level of satisfaction of all classes (as we saw in Table 4 above). They also attached more importance to job creation than any other class.

The K.M.P.S. also posed a range of attitudinal questions to respondents. These covered perceptions of how people get rich, expectations of government, attitudes

to taxation, and attitudes to unions and business. The results, as reported in the earlier *Working Paper*, were inconclusive (*ibid*). Whilst respondents in these African and coloured areas of Cape Town exhibited a range of responses, there was little correlation between labour market status (or even the labour market status of other household members) and responses. The contrast between the K.M.P.S. findings and the P.S.L.S.D. findings is striking and remains unexplained. Further research – both quantitative and qualitative – is clearly needed into the relationship between class and attitudes among South Africans.

8. Unemployment, the Underclass and Crime

In America, the underclass is associated with criminality. In Wilson's work, this is because crime is one of the factors that underpin systematic disadvantage in some neighbourhoods. In the more conservative view of (for example) Murray, criminality is part of a broader problem of moral decay: the underclass, comprising above all the predominantly black population of inner-city ghettos, is characterised by very high unemployment, dropout from school, alcoholism and drug abuse, teenage pregnancy, single mothering, violence, incarceration in the prison system, and financial dependency on welfare.

Bizarrely, the conservative American concept of the underclass is not so very different to the Marxist concept of the 'lumpen proletariat'. Marx himself wrote of the lumpen proletariat in stridently indignant terms: 'This scum of the depraved elements of all classes', 'vagabonds living off the crumbs of society', 'the dangerous class, the social scum, that passively rotting mass thrown off by the lowest layers of the old society' (quoted in Morris, 1994: 15). In the great Russian film *The Strike*, directed by Eisenstein as Communist Party propaganda in the 1920s, the lumpen proletariat lived in an expanse of dustbins, popping out when the agents of the ruling class sought strike-breakers!

Similar arguments were made in South Africa in the 1950s, with reference to unemployed urban 'youth'. Writing in 1961, with reference to riots that took place in East London nine years before, Reader wrote:

'It was particularly apt that the urge to destruction and brutality should have been expressed primarily through the medium of *tsotsi* youths. Offspring of temporary and shiftless liaisons ... they had come into the world unwelcome and unloved ... born into disease, squalor and inadequate homes ... Among these young people were the halt and the

maimed, the dagga-smokers and shebeen-frequenters, a few sub-mental cases, several with previous convictions, as well as some of good character who were swept in on impulse. Rejected alike by the society which spawned them and by the economy in which they had no place, these children distilled in their moment of frenzy all the bitterness felt by their community at large against those who appeared to crush and exploit them ... The *tsotsis*, unlike the majority of adults present at the time, were able to strike in an ecstasy of abandon, with no property, no future, no employment, nothing to lose save their seemingly worthless lives' (Reader, 1961: 28; see further Glaser, 1994).

In the 1970s, too, and again in the 1980s, 'political' violence was widely attributed to unemployed young men (see Seekings, 1993).

In the 1990s, too, violence and crime are often linked to unemployment in the press and elsewhere (e.g. Hirschowitz *et al*, 1994: 76). But, when violence and crime have been attributed to a specified group, it has generally been to the amorphous category of 'youth' rather than to the unemployed *per se*. In the early 1990s, especially, South Africa's white elite were gripped with a 'moral panic' around the threat that the 'lost generation' of (black) 'youth' supposedly posed to social and political stability (see Seekings, 1995, 1996). In certain respects, the concept of the 'youth' is not dissimilar to the conservative understanding of the underclass: both refer to groups that supposedly fall outside of those structures of society that socialise and sustain 'respectable' people: school (from which the 'youth' had dropped out), work (which they never had), the family (which had broken down) and the 'community' (which had also fragmented). Indeed, in the U.K. and elsewhere, there is a close relationship between perceptions of 'dangerous youth' and those of the 'underclass' (see MacDonald, 1997).

In South Africa, research failed to support the assumptions made about the 'youth'. As Schlemmer (1991) wrote, 'typical young people in the townships are not over-politicised or hyper-radicalised, deviant, amoral or anti-social' (1991). Surveys suggest that young people are as opposed to crime and delinquency as their parents. This is not to say that young people do not face huge problems – including, as we have seen, very high unemployment rates – but rather that they show remarkable resilience in the face of such challenges (Seekings, 1996: 119-123).

The lesson of the literature on the 'youth' is that we should interrogate carefully the perceived association between unemployment and criminality or moral deviance. Unfortunately, there is a glaring absence of research on the link between unemployment and crime. Moller's research from the late 1980s provides little

more than a welcome caution. The unemployed, she emphasised, did not conform to the negative stereotype:

‘As far as one is able to tell, the unemployed in the main study show few of the typically negative characteristics of the unemployed. According to self-reports, they are not resorting to drink, thievery, idleness; they are neither dirty nor unkempt as the stereo-types suggest’ (Moller, 1992: 09).

Moller does note, however, that men responded to unemployment differently to women:

‘Unemployed men tend to be more aggressive when it comes to airing their frustrations; women more retiring. Hence men are more inclined to act in socially unacceptable ways. The informal channels for gaining social support and an alternative income appear to serve women better than men. The person whose self-identity is possibly most at risk appears to be the mature man with little education, i.e. the retrenched unskilled labourer’ (*ibid*: 147).

Further research is clearly needed, but we can conclude that there is little evidence that the unemployed engage in criminal behaviour or hold deviant morality to an extent that might distinguish them as a discrete underclass.

9. Conclusion

The concept of an ‘underclass’ has unfortunate connotations. Its use may encourage the pejorative stereotyping of people whose only ‘crime’ is to have suffered systematic disadvantage. We should therefore be cautious in using the concept. In South Africa, however, there are good theoretical and empirical grounds for recognising a section of the population that suffers especially acute disadvantage. This class comprises people who are not only unemployed in a society where unemployment means poverty, but also lack the capital to give them a significant chance of securing employment in future. The label ‘underclass’ is an appropriate recognition of the systematic disadvantage that distinguishes this class from the bulk of the working population.

The concept of an underclass might have theoretical foundations in the South African context, but does it have demonstrable consequences? In South Africa

unemployment clearly helps to explain differences in income. Less clearly, unemployment shapes attitudes on labour market issues, satisfaction and self-esteem. The special disadvantages experienced by the underclass are reflected in very low incomes, poor living conditions and, perhaps, in attitudes. There is little evidence, however, that the unemployed (or, specifically, those within the underclass, as defined in this paper) are any more likely to engage in acts of crime or violence than anyone else.

These findings remain tentative, given the inadequacy of the available data. There are many other issues that require further analysis. Crucially, we have little evidence on how disadvantage is reproduced over time. We know that unemployment and employment tend to cluster in different households – but we do not know how long such effects last, and how permanent they are. We have some evidence that the children of unemployed parents suffer lower levels of educational attainment than children of working parents. But does the underclass really reproduce itself over generations, with the children born into underclass households today destined (i.e. with a high probability) to long periods of unemployment in ten or twenty years time? Do many households – or individuals – escape the web of disadvantage, and how do they do so?

In their study of the U.S.A., Massey and Denton (1993) pay special attention to the ‘perpetuation’ of the underclass. In their analysis, racial segregation plays a crucial role in reinforcing, again and again, the isolation of the underclass. In South Africa, with the passage of apartheid and especially the very different demographic composition of society, racial segregation cannot play the same role. It is to be hoped that in the new South Africa opportunities for social mobility have improved across the whole of society. Even if prejudices and cleavages have emerged, it is surely unlikely that these can have the same force and effect as systematic racial segregation and discrimination? Hope and expectations of a future characterised by greater equality of opportunity should not blind us to the constraints and obstacles that remain.

There are clearly many households outside of the underclass, as we have defined it, that are marginalised in a variety of ways. Some have nobody in the labour force (i.e. they are in the residual N.L.F. class). Others are involved in employment very precariously, perhaps because they have casual or part-time work in sectors characterised by low wages and bad working conditions, or perhaps because they lack skills and face a real threat of retrenchment. A different approach to ‘marginality’ might usefully focus on more than just the unemployed without social capital. Our concern in this *Working Paper* is not to deny the marginality of many other households, but rather to probe the specific question of the class position of the unemployed. Further research is needed into marginality, although

such research should be sure to develop clear empirical measures.

It is possible that such research might develop the concept of 'social exclusion'. The concept of 'social exclusion' arose among scholars unhappy with the pejorative connotations attached to the concept of the 'underclass' in the U.S.A. and elsewhere. The concept originated in France to describe that section of the population characterised by unemployment or very precarious employment. Proponents of the concept claim that it is preferable to the concept of poverty because it emphasises more fully the social element of deprivation rather than the economic element of low incomes. Social exclusion thus denotes those forms of poverty and marginality that result from the breakdown of the prior relationship between society and the individual (Bhalla and Lapeyre, 1999). The concept remains, however, difficult to specify clearly enough to allow comparative, empirical measurement and analysis.

Whatever labels are used, more data is clearly needed on the character of disadvantage in post-apartheid South Africa and especially on the effects of disadvantage over time. Ignoring gradations of disadvantage simply serves to reinforce them.

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The CSSR is an umbrella organisation comprising five units:

The Aids and Society Research Unit (ASRU) supports quantitative and qualitative research into the social and economic impact of the HIV pandemic in Southern Africa. Focus areas include: the economics of reducing mother to child transmission of HIV, the impact of HIV on firms and households; and psychological aspects of HIV infection and prevention. ASRU operates an outreach programme in Khayelitsha (the Memory Box Project) which provides training and counselling for HIV positive people

The Data First Resource Unit ('Data First') provides training and resources for research. Its main functions are: 1) to provide access to digital data resources and specialised published material; 2) to facilitate the collection, exchange and use of data sets on a collaborative basis; 3) to provide basic and advanced training in data analysis; 4) the ongoing development of a web site to disseminate data and research output.

The Democracy In Africa Research Unit (DARU) supports students and scholars who conduct systematic research in the following three areas: 1) public opinion and political culture in Africa and its role in democratisation and consolidation; 2) elections and voting in Africa; and 3) the impact of the HIV/AIDS pandemic on democratisation in Southern Africa. DARU has developed close working relationships with projects such as the Afrobarometer (a cross national survey of public opinion in fifteen African countries), the Comparative National Elections Project, and the Health Economics and AIDS Research Unit at the University of Natal.

The Social Surveys Unit (SSU) promotes critical analysis of the methodology, ethics and results of South African social science research. One core activity is the Cape Area Panel Study of young adults in Cape Town. This study follows 4800 young people as they move from school into the labour market and adulthood. The SSU is also planning a survey for 2004 on aspects of social capital, crime, and attitudes toward inequality.

The Southern Africa Labour and Development Research Unit (SALDRU) was established in 1975 as part of the School of Economics and joined the CSSR in 2002. SALDRU conducted the first national household survey in 1993 (the Project for Statistics on Living Standards and Development). More recently, SALDRU ran the Langeberg Integrated Family survey (1999) and the Khayelitsha/Mitchell's Plain Survey (2000). Current projects include research on public works programmes, poverty and inequality.
