



Democracy and Income Inequality in Comparative Perspective: United States and South Africa, 1995-2015

Citation

Gibson, Julie Ann. 2019. Democracy and Income Inequality in Comparative Perspective: United States and South Africa, 1995-2015. Master's thesis, Harvard Extension School.

Link

<http://nrs.harvard.edu/urn-3:HUL.InstRepos:42004179>

Terms of use

This article was downloaded from Harvard University's DASH repository, and is made available under the terms and conditions applicable to Other Posted Material (LAA), as set forth at

<https://harvardwiki.atlassian.net/wiki/external/NGY5NDE4ZjgzNTc5NDQzMGIzZWZhMGFIOWI2M2EwYTg>

Accessibility

<https://accessibility.huit.harvard.edu/digital-accessibility-policy>

Share Your Story

The Harvard community has made this article openly available.
Please share how this access benefits you. [Submit a story](#)

Democracy and Income Inequality in Comparative Perspective:
United States and South Africa, 1995–2015

Julie A. Gibson

Thesis in the Field of International Relations
for the Master of Liberal Arts Degree in Extension Studies

Harvard University

May 2019

Abstract

My research is driven by two questions that investigate the relationship between democracy and income inequality amongst marginalized groups in the United States and South Africa: (1) Are marginalized groups steered toward political participation at the expense of economic empowerment? (2) If so, does income inequality pose a risk to democratic consolidation in these countries? In other words, is this electorate satisfied with the status quo, or might there be triggers that will cause these groups to press for more economic inclusion and elasticity in democratic institutions?

To answer the first question, I investigated the activities of advocacy groups including the National Association for the Advancement of Colored People (NAACP) in the United States, and the African National Congress (ANC) in South Africa, both of which are institutions that advocate on behalf of marginalized groups in their respective countries. I found that advocacy institutions did focus their efforts more broadly in the political arena. For the second question, I theorized that extreme economic inequality in these countries is a threat to liberal democracy as dissatisfaction with the status quo might call into question state legitimacy. However, my review of survey data found that although marginalized groups expect governments to do more to address income inequality, they are overwhelmingly satisfied with their current democratic governance.

Acknowledgements

Thank you to . . .

Almighty God and my Lord and Savior Jesus Christ for the grace, favor and courage to pursue and accomplish this intellectual mission. To God be the glory for the things He has done.

My husband Dr. Albert Kabemba and son Uriah Kabemba for your support, love and patience.

Dr. Lawrence Bobo, for being an excellent thesis director. Your wealth of knowledge in the intersections of social inequality, race, and politics was exactly what I needed to direct this research on democracy and income inequality in the US and South Africa.

Dr. Doug Bond, for being a patient and kind research advisor, and for helping to make my time at Harvard most enjoyable.

With sincere gratitude . . .

Julie A. Gibson

Table of Contents

Acknowledgements.....	iv
List of Tables	viii
List of Figures	ix
I Introduction.....	1
Problem Statement.....	3
Hypotheses.....	4
Contribution	5
Overview of Chapters	6
II Brief History of Income Inequality and Democratic Inclusion	7
In the United States and South Africa.....	7
Chapter Overview	7
Historical Roots of Income Inequality in South Africa	12
Historical Roots of Income Inequality in the United States	16
Comparative Economic and Social Domination.....	18
South Africa	19
United States	20
Comparative Democratic Participation.....	22
U.S. - South Africa Bilateral Relations & International Capitalism.....	24
Summary	26

III	Review of Literature on Democracy and Income Inequality	28
	Social Sciences.....	28
	Economics.....	29
	Political Science.....	31
	Inequality and Democratic Consolidation	32
	Summary	34
IV	Survey Data and Income Inequality Analysis.....	35
	Methods Overview.....	35
	Social Inequality Survey IV (ISSP)	36
	World Values Survey Data	40
	Varieties of Democracy Indices.....	46
	World Inequality Database (“WID”)	51
V	Analysis of Archival Data from Advocacy Institutions.....	55
	Brief History of the NAACP.....	56
	NAACP Archival Research	60
	The Freedom Budget For All Americans.....	62
	Brief History of the ANC.....	68
	ANC Archival Research	72
	The Freedom Charter	73
	The New South African Constitution	74

	Growth, Employment and Redistribution (Gear).....	76
	Comparative Analysis of ANC and NAACP	78
VI	Synthesis and Policy Recommendations	80
	Summary of Findings.....	81
	Policy Recommendations.....	84
	Tax Speculative Capital Markets Transactions.....	84
	Extractive Industry Universal Dividends.....	85
	Reparative Philanthropy.....	86
	Conclusion	87
	Bibliography	89

List of Tables

Table 1	How Important is Democracy and Democratic Governance?.....	42
Table 2	Income Inequality and Satisfaction with finances?.....	44
Table 3	Tax the rich to subsidize the poor? Should the State make incomes equal?....	45
Table 4	NAACP Annual Convention Resolutions by Group.....	67

List of Figures

Figure 1	South Africa Median Income by Race	10
Figure 2	USA Average Family Wealth By Race	10
Figure 3	How Important is Race in Getting Ahead? (by category)	37
Figure 4	How Important is Race in Getting Ahead? (within category).....	38
Figure 5	Are Income Differences Too Large?	38
Figure 6	Is Government Responsible for Reducing Income Differences?	39
Figure 7	Are There Conflicts Between Poor and Rich People?	40
Figure 8	South Africa Democracy and Income Inequality Indices	48
Figure 9	United States Democracy and Income Inequality Indices	49
Figure 10	Finland Democracy and Income Inequality Indices.....	50
Figure 11	South Korea Democracy and Income Inequality Indices.....	50
Figure 12	USA Top 1% vs. Bottom 50% Trends over 20 years	52
Figure 13	South Africa Top 1% Share Over 11 Years	52
Figure 14	South Africa Top 1% Share Trend Over 5 Years	53

Chapter I

Introduction

After two centuries of such dramatic and spectacular progress, the divide between the rich and the poor, the powerful and the marginalized, that continues to exist—and in fact, to widen—puts to serious question the nature and quality of our humanity. That these inequalities—amongst nations and within single nations--still correlate so strongly to racial differences demeans us all.

—Nelson Mandela

Economic inequality has risen steadily within nations since the 1970s and is extremely pronounced in Western liberal democracies. Scholars and pundits are divided on the issue of whether income inequality has a negative impact on the quality of democracy. A study by the American Political Science Association's taskforce on Inequality and American Democracy (2004) concluded that inequality harms democratic efficacy in the United States. However, Bennett (2006) rebutted these findings, suggesting that the taskforce's data methods were flawed as they used only one survey dataset from which they drew their conclusions. Likewise, conservative think tanks like the Heritage Foundation report that income inequality has no bearing on the quality of democracy in the United States (York, 2017).

That said, most scholars in the field believe that high rates of income inequality have a negative impact on the quality of democratic expression. Liberal and progressive groups point to research by Gilens and Page (2014) and Bartels (2008) that suggests American democracy has been captured by wealthy elites and has devolved into an oligarchy. Scholars of comparative politics, such as Foa and Mounk (2017), warn that

American citizens are critical of liberal democracy and that the dissatisfaction is part of a global trend. On the other hand, in South Africa, scholars such as Steenakamp (2017) and von Fintel and Ott (2017) agree that although the populace is disappointed with the level of economic inequality post-apartheid, the country's political culture has not suffered major set-backs as support for democracy remains high.

This thesis looks at democracy and income inequality in two liberal democracies, namely, the United States (US) and South Africa (SA), which have the highest levels of income inequality amongst democratic regimes. I chose these two countries to review and compare because they present unique historical phenomena involving marginalized groups' challenges to White supremacy in the areas of political and economic agency. These countries offer excellent case studies of the evolution of democracy and income inequality for Blacks in both countries who view their struggles in a similar light. Both countries share economic and political linkages amongst Whites who protected their capital interests against calls for racial and economic justice.

The most common measure of income inequality in a country is called the Gini coefficient, developed by the Italian statistician Corrado Gini in 1912. It measures the statistical dispersion of wage income distribution among households in a nation and is intended to represent the income or wealth distribution of a nation's residents. The ratio is expressed in values between 0 (0%) and 1 (100%), with 0 meaning no income inequality and 1 representing a country where one person holds all of the income in the country (Kenton, 2019).

The high Gini coefficients of 0.41 for the US and 0.63 for SA put these nations in the upper tier of income inequality along with countries like Chile (0.45) and Mexico

(0.48). In contrast, many democracies in Europe have low Gini coefficients:

Scandinavian countries exhibit the lowest at around 0.25 for Norway, Denmark, and Iceland. Two leading Asian democracies, South Korea and India, also have relatively low Gini coefficients at 0.31 and 0.35, respectively.

One common denominator in democratic countries with relatively low Gini coefficients is their cultural cohesiveness. These nations generally have complex societies with typical social stratification that leads to unequal distribution of income. Unlike the US and SA, however, those countries share one common endogenous factor that might lessen income inequality, namely, ethnic homogeneity. Because nations like Norway and South Korea do not have racial stratifications or historical legacies involving subjugated groups within their societies, these nations tend to have relatively flat income distributions.

Problem Statement

The US and SA share similar racial and economic histories that include the use of slave or migrant labor to secure rapid accumulation of capital for a small subset of the population. Coupled with systemic racial oppression and subjugation, this has resulted in historically deep racial and economic cleavages that persist to this day. Over time, marginalized groups challenged political hegemony through social action including the civil rights movement and anti-apartheid movement, with the result that in both the US and SA democratic participation by marginalized groups increased significantly. However, this political participation rose in tandem with extreme economic inequality over a 25-year period from 1990 to 2015. In fact, income inequality has risen in post-

apartheid SA with the introduction of liberal democracy, according to Liebbrandt et al. (2012). This begs the question: why does income inequality continue to go largely unchallenged?

Hypotheses

I hypothesize that marginalized groups in both countries focus on political participation instead of demands for income equality because of structural impediments and advocacy efforts that focus on the former rather than the latter. My research engages these issues by comparing the US and SA with respect to politics and economics, seeking answers to two questions:

1. Are marginalized groups steered toward political participation at the expense of economic empowerment?
2. As a result, does income inequality pose a risk to democratic institutions and consolidation in these countries? In other words, is there a risk to the sustainability of democracy? Are the relevant electorates satisfied with the status quo or are there triggers that might cause these groups to press for more economic inclusion and elasticity in democratic institutions?

Former US Supreme Court Justice Louis Brandeis said: “We can have democracy in this country, or we can have great wealth concentrated in the hands of a few, but we can’t have both” (as cited in Holmes, 2018). I focused my research on whether high levels of income inequality in the US and SA pose a risk to democratic consolidation in these countries, and if so, are the pathways to deconsolidation different for mature democracies like the US compared to nascent democracies like SA?

Today high concentrations of wealth and democratic governance run in parallel streams in the US and SA. This might call into question the legitimacy of democratic governance to deliver promises of liberty and equality, especially since some authoritarian regimes (e.g., China and Singapore) have demonstrated an ability to secure high levels of financial security and economic growth for their citizens without liberal democratic underpinnings. Thomas Piketty (2018) helped bring these issues into the mainstream with his book *Capital in the Twenty-First Century*, which provided an in-depth analysis of global wealth inequality. Echoing Brandeis' concerns, Piketty suggests that "unsustainable inequalities [will] radically undermine the meritocratic values on which democratic societies are based" (p. 1).

Contributions

This research add to the literature by exploring democracy within comparative contexts as it tests views of marginalized citizens in the US and SA on the subject of income inequality. A review of primary source data from the digitized archives of the National Association for the Advancement of Colored People (NAACP) in the US and the African National Congress (ANC) in SA illustrates the importance that institutions play in either exacerbating or ameliorating income inequality.

This analysis is contextualized with historical background information and descriptions of themes undertaken by these organizations during the timeframe under review. Micro-level analysis of advocacy groups within the US and SA, along with quantitative analysis of survey data, taken together, has shed light on attitudes toward democracy and income inequality, redistributive justice, and democratic governance and

gives insight into ways that mobilization for economic advancement can be encouraged in support of democratic governance.

Overview of Chapters

This thesis proceeds as follows: Chapter II provides a broad historical context for race-based income inequality and democratization efforts in the US and SA. Chapter III summarizes the scholarly literature on the topics of democracy and income inequality across various disciplines, including political science, economics, and social science. In chapter IV, I investigate the attitudes of marginalized groups toward democracy and income inequality by utilizing statistical analysis of survey data from the Social Inequality Survey IV (ISSP) and the World Values Survey Wave 6 (WVS). In Chapter V, I supplement the statistical analysis with a review of institutional-level analyses of archival data from two main advocacy groups: the ANC and NAACP. Chapter VI synthesizes the results of my research and provides policy recommendations and concluding remarks on democracy and income inequality in South Africa and the United States.

Chapter II

Brief History of Income Inequality and Democratic Inclusion in the United States and South Africa

In order to contextualize the existing cleavages in the vast economic disparities between Blacks and Whites in South Africa and the United States, one must address historical phenomena including slavery, racial capitalism, and systemic discrimination. As well, the natural tensions between democracy and capitalism find great expression as marginalized groups attempt to gain political and economic agency.

Chapter Overview

This chapter provides broad descriptive overviews of these historical phenomena, including brief discussions of democratization efforts in these countries. Although some scholars point to education and technology gaps as major determinants of income inequality for marginalized groups (e.g., Goldin and Katz, 2010), many concede that at the root of income inequality is the historical legacy of structural and systemic racism. In the US, the wealth gap exists in spite of educational attainment. Median wealth for Black households *with* a college degree equals about 70% of the median wealth for White households *without* a college degree (Hanks et al., 2018).

The trajectory of this extreme income inequality for African descendants in the US and indigenous tribes in SA can be traced back to what comparative historian George Fredrickson calls the tri-causal interactions of the state, the economy, and the hierarchy

of sociocultural identities (Fredrickson, 2001, p. 18). These interactions all combined to foster White supremacy and Black subordination and subjugation through legal means and *de facto* social stratification. Various legal means whereby Blacks in the US and SA were systemically impeded from accumulating wealth were in the areas of housing and land ownership restrictions, limitations on unionization, inaccessibility to capital, and preclusion from participation in various state-sponsored subsidies.

One example in the US was the exclusion of Blacks from accessing various benefits of the G.I. Bill after World War II. Assistance that buttressed Whites returning from war included college tuition payments, business loans, and low-cost mortgages. White G.I.s were able to purchase homes in sprawling new suburbs where they benefited from rising home values and quality public schools. This put them on a trajectory of potentially attaining intergenerational wealth. In contrast, although many Black G.I.s took advantage of the tuition benefits and entered colleges, they faced restrictive covenants that precluded them from purchasing homes in suburban areas, even in the rare instances where they could get mortgage loans from banks (Callahan, 2013).

In SA the apartheid system was an even more rigid and egregious edifice that prevented Blacks from owning land outside of restricted areas, and from purchasing business permits or accessing capital to start businesses. Extreme social stratification relegated Blacks to low-level jobs and extremely low wages, preventing them from gaining economic traction in the economy.

In response to subjugation, marginalized groups and their benefactors created collective action groups like the NAACP and the ANC to advocate for political, economic, and social justice relief. The belief that social integration and democratic representation would be antecedents to ameliorate poverty and advance material progress was a driving force in the mobilization and activism of these groups. In Chapter Five I provide brief histories of the NAACP and ANC and their activities around democracy and income inequality. Suffice to say that although significant strides were made with respect to democratization during the overthrow of apartheid in SA and systemic racial disenfranchisement in the US, the coexistence of democracy and extreme income disparity continue to present persistent challenges that result in societal degradation and potential political ramifications. This is poignant given the fact that poor and marginalized groups lack political voice in modern liberal democracies, while the wealthy are afforded political agency (Bartels, 2008; Gilens, 2012).

Figure 1 and Figure 2 show comparative trends in income and wealth inequality between racial groups in South Africa and the United States. In Figure 1, the median income of Black South Africans was a fraction of White South African median income during the period 1995 to 2008. Figure 2 shows that similar wealth gaps existed in the US, with White household wealth more than five times greater than Black household wealth.

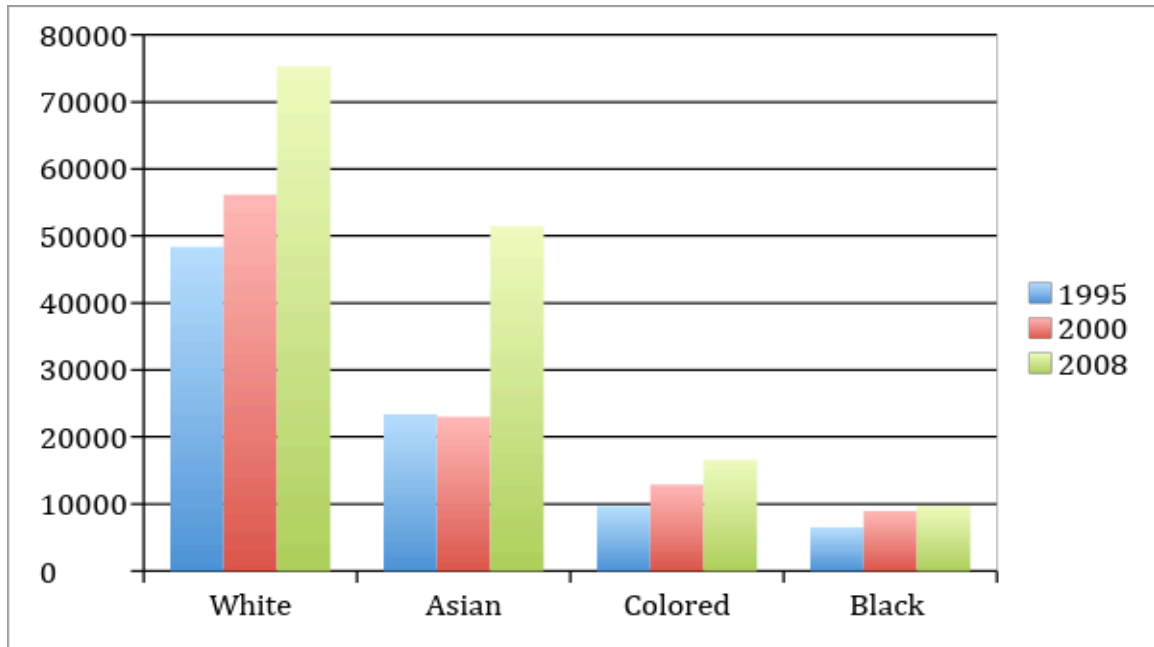


Figure 1. South Africa Median Income by Race (SA Rand).

Source: Leibbrandt et al., 2010.

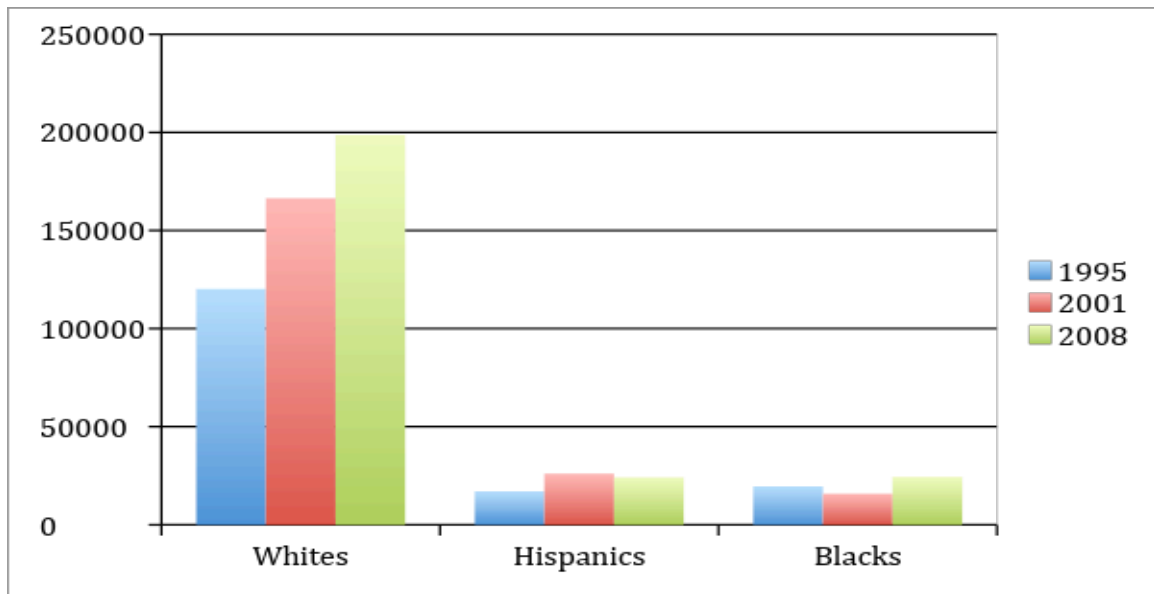


Figure 2. US Average Family Wealth by Race (US\$).

Sources: Compiled by author using data from Urban Institute's "Nine Charts About Wealth Inequality in America," at Urban.org. Urban Institute calculations from "Survey of Financial Characteristics of Consumers 1962" (December 31); "Survey of Changes in Family Finances 1963"; and Survey of Consumer Finances 1983-2016.

According to a study by Manduca (2018) of Harvard University, the economic gap between Blacks and Whites in the US has remained relatively unchanged at approximately 56% for the last 50 years. Further research conducted by the National Bureau of Economic Research concluded that this Black/White income gap is attributable mainly to differences in income and employment between Black and White men, while Black and White women saw no major income gaps (Chetty et al., 2018). This suggests that structural impediments affecting Black men in particular—for example, mass incarceration—may impede closing of this income gap.

According to a report by the World Bank (2018) entitled “Overcoming Poverty and Inequality in South Africa,” Black South Africans consistently exhibit the highest poverty rates: in 2015, 47% of households headed by Black South Africans were poor, while less than 1% of White South African households were in poverty (Hurlbut, p. 13). In 1995, approximately 26% of Black families in the US lived in poverty, but that number declined to 21% by 2015 (Statista.com). In comparison, the percentage of White families in the US living in poverty was less than 9%. These figures highlight lingering gaps between Blacks and Whites with respect to social and economic agency.

The contexts that gave rise to these race based income gaps in South Africa and the US are illustrated below and include discussions of major historical phenomenon, descriptions of economic domination, and comparative democratic participation by marginalized groups. Lastly, I discuss the historical bilateral relations between the United States and South Africa and related international financial capitalism, which encouraged diplomacy and trade between the two countries all under the aegis of racial capitalism.

Historical Roots of Income Inequality in South Africa

Early European interest in the Cape region began in the 1600s, focusing on international trade and commerce. These commercial interests arose from two groups: the Dutch and the English. The aim of the Dutch was primarily commercial in nature, largely through the Dutch East India Company. This progenitor of a modern-day transnational corporation monopolized the international spice trade along the Indian Ocean by using its military naval fleet to enforce economic hegemony. Later in the seventeenth and eighteenth centuries, farmers of Dutch descent immigrated to the Cape Colony and expanded north as Trek Boers to avoid the Dutch East India Company's tyrannical overreach. The English focused on colonial expansion of the British Empire. One method was via expropriation of lands, also by utilizing native labor to mine diamonds, gold, and other precious minerals that were discovered in the late 1800s.

Diamond and Gold Mining

Some of history's largest caches of gold and diamonds were discovered and extracted from South Africa and monetized by Europeans in the banking and trading houses of London, Israel, Holland, Belgium, and New York. Early examples of trade and interactions between Europeans and Africans illustrated a knowledge gap that gave Europeans an extreme economic advantage. Marxist philosopher Antonio Gramsci quipped "trashy baubles were handed out in exchange for nuggets of gold" (as cited in Forgacs, p. 331).¹

¹ Author's note: I even recall my own Congolese mother-in-law relating a story about herself as a young girl collecting "rocks" [gold] for White men in exchange for Chiclets chewing gum as late as the 1950s.

With the discovery of diamonds at Kimberley in 1871, Cecil Rhodes, an agent of British imperialism, founded De Beers Diamond company with the financial backing of the Rothschild family and the Morgan banking dynasty. De Beers floated corporate stock to create a global monopoly in diamond extraction and distribution. Later the company furthered its monopoly capital accumulation by creating a marketing campaign that changed normative behavior in America such that diamonds became synonymous with love and betrothal, influencing purchases of diamond engagement rings.

In 1886 one of the world's richest deposits of alluvial gold was discovered in the Witwatersrand region, quickly helping to develop Johannesburg into a major industrial city. Within months, a gold rush ensued and a slow agricultural economy was surpassed by the fastest-growing, most technologically sophisticated mining industry in the world (Van Onselen, 1982, p. 37). Gold prospectors soon became wealthy entrepreneurs dubbed "Randlords." Two of the most prominent Randlords were Cecil Rhodes and Ernest Oppenheimer, a German Jewish émigré who later controlled De Beers and the Anglo American Corporation, both of which today remain the leading metals and mining extractive corporations in the world with combined annual revenues exceeding \$26 billion in 2017 (Angloamerican.com, 2017, p. 29). These corporations relied on cheap Black labor that was coerced through a combination of factors dubbed by author Jared Diamond as *Guns, Germs, and Steel* (Diamond, 1999).

Two major developments that gave advantage to European capitalists of the time were the invention of the Gatling gun in 1861, and the outbreak of the *rinderpest* virus among cattle in Africa in the 1890s. The Gatling gun, created by Richard Gatling, was a crank-handle, rapid-fire machine-gun-type weapon that could fire up to 900 rounds of

ammunition per minute. The *rinderpest* virus, which killed millions of cattle, caused massive economic hardship that forced Black subsistence farmers to go to work in the mines or other services in support of rising industrialization in SA. The outbreak had a two-fold benefit for European industrialists: a supply of cheap labor, and opportunities to confiscate lands vacated by farmers.

According to John W. Cell (1982), racial segregation in SA was not just rooted in race prejudice but also in the need for close proximity and accessibility to cheap African labor. Cell noted: “Whites depended on African labor. And as Botha [first Afrikaner leader] said, they wanted it nearby under their direct personal control” (p. 50). This was all done under the aegis of *racial capitalism*, a term that emerged in South Africa in the 1970s. Marxist scholars used it to describe the inseparable interlock of racial domination through cheap Black labor and capitalist industrial formation in Africa (Nash, 2009). The term involves the notion that capital accumulation was fundamentally driven by violence and coercion against Black labor and lands owned by Blacks.

With the need to have cheap Black labor in close proximity, the Bantustan named Soweto was created outside Johannesburg to support gold mining at Witwatersrand. The majority of Blacks were relegated to these types of native reserves as subsistence farmers, porters, and mine workers. Furthermore, Blacks were legally relegated to semi-skilled occupations through the 1970s, with restrictions gradually easing in the 1980s and 1990s before the end of apartheid. The Pass Laws in SA restricted the movement of Blacks into and out of the Bantustans, thus circumscribing housing for most Blacks until the Pass Laws were overturned in 1986. As a result of the exploitation of natural resources at Kimberley and Witwatersrand, as well as industrial farm production, this gave a huge

economic advantage to European industrialists at the turn of the century, enabling them to generate massive wealth at the expense of cheap Black laborers.

Not only did White industrialists enjoy economical advantages during this period, but poor Whites also benefited through sophisticated social engineering schemes to ensure their domination over the Black majority. This occurred once the British industrialists' triumphed after the Anglo-Boer Wars, fought in 1880-1881 and 1899-1902. The wars were principally driven by land claims of colonial enterprises seeking to expropriate farmlands for mining. The British had consolidated their control of the area after defeating Shaka Zulu's successors and the Zulu Kingdom in 1879.² Although the British won these wars, concessions were made to the White Afrikaners in order to consolidate White unity and foster racial domination of the indigenous Blacks. This was facilitated through "Afrikaner domination of the agriculture sector, [which] was subsidized by the state" (Marx, p. 100). These schemes included confiscation of native lands for use by White farmers; banning Black unionization, thereby preventing collective bargaining for higher wages; and formalizing wage and position hierarchies so as to prevent Black economic and social mobility. Many of these policies were further entrenched and codified as apartheid when Afrikaner nationalists gained power in 1948, thus cementing race-based income inequality in South Africa.

² Shaka Zulu was an infamous warrior king who led the Zulu kingdom in the early 1800s. He brutally subdued surrounding tribes in SA through his extensive military campaigns. He died in 1828, but his military strategies were adopted by subsequent kings and proved formidable against the British colonial regime in SA.

Historical Roots of Income Inequality in the United States

The economic hegemony of Whites over Blacks in the US, which began in the sixteenth century with the transatlantic slave trade, needs no elaborate explanation. The coerced labor of Blacks working without wages facilitated the accumulation of vast amounts of capital among planters, bankers, insurers, and ship merchants. According to historian Edward Baptist (2014), America's economic supremacy, which commenced during the Industrial Revolution, can be traced back to the slave economic system that produced so-called "King Cotton." But the transition from slavery to freedom for African descendants in America has been, in the words of rapper Talib Kweli (2004), "The Beautiful Struggle" for survival, identity, and resistance against racial domination. The fact that the struggle continues in the milieu of a world empire touted as the greatest democracy in the history of the world creates tensions and contradictions that help define the American ethos. Over two centuries, African Americans went from being dehumanized commodities to being counted in fractions of humans for legislative purposes after the adoption of the Three-Fifths Compromise of 1787.³

After the Civil War, the period of Reconstruction from 1865-1877 saw some economic gains following emancipation. However, many former slave families were unable to gain much economic agency due to *de facto* involuntary servitude and trickery at the hands of landowners who employed them as sharecroppers. The fact that no land

³ A compromise reached among state delegates during the 1787 US Constitutional Convention. Whether and how slaves would be counted when determining a state's total population for legislative representation and taxing purposes was important as this population number would then be used to determine the number of seats that the state would have in the US House of Representatives for the next ten years. The compromise solution was to count three out of every five slaves as a person for this purpose. See: https://en.wikipedia.org/wiki/Three-Fifths_Compromise.

was allotted to former slaves after emancipation (i.e. forty acres and a mule) was a significant factor in economic disparities between Blacks and Whites in the South.

A mass exodus of Blacks from the South to northern cities to work in the shipyards, industrial plants, and munitions industries provided an uptick in wage earnings. But after World War I, competition between Blacks and other immigrants for jobs and wages resulted in racial tensions and riots in several cities including Atlanta, Tulsa, Omaha, and Chicago. By the 1960s, the concentration of poor Blacks in urban ghettos resulted in social unrest and property destruction in cities like Los Angeles, Chicago, Detroit and Newark.

Eminent social scientist W. E. B. DuBois said: “To be a poor man is hard, but to be a poor race in a land of dollars is the very bottom of hardships” (1903, loc. 132). Dubois was a member of the Black elite—a small, educated class of Blacks who benefited from education and social mobility at the turn of the century. According to Marable (1983), typically these Black elites “occupied four principal vocations—politicians, clergymen, educators and entrepreneurs” (p. 122), along with a small class of professionals that included doctors, lawyers, and engineers. Dubois’ rival, Booker T. Washington, was the preeminent conservative Black leader at the turn of the century who advocated for industrial education and entrepreneurship among Blacks as a means of self-help and social uplift.

Gains from the civil rights movement resulted in policy prescriptives, including affirmative action programs in employment and college admittance, and minority business set-asides that required a percentage of government contracts go to women and minority-owned businesses. These initiatives made major contributions to the rise of the

Black middle class and a cohort of successful entrepreneurs. As of this writing, America has over 2.6 million Black-owned businesses (Blackdemographics.com). However the vast majority of these businesses are sole proprietorships, reflective of “systematic underdevelopment, a paucity of capital and employees that extend across geographical and regional boundaries” (Marable, p. 135). In addition, the conspicuous success and acclaim enjoyed by many Black athletes and entertainers in the US possibly obscures the fact that 30.8% of Black children live in poverty in the US compared to 10.8% for White children (Childtrends.org, 2019).

Comparative Economic and Social Domination

Race-based capital accumulation and corresponding income inequality, both occurring at a nexus in the US and SA, occurred as a result of the confiscation of lands and natural resources, and the control and exploitation of cheap or free labor. It can be debated whether racial capitalism applies in this instance, but the interplay of racism and economic materialist domination was similarly executed against the Black majority in SA and the Black minority in the US.

Dominant capital interests during these periods benefited tremendously from this lopsided labor-capital arrangement. Some believe that in the US, southern plantation profits and northern international trade in cotton and tobacco were the engines of American economic growth. Whether or not coerced Black labor provided the majority of capital to finance the industrial revolution in the United States, one can be certain that it played a substantial role in the development of ancillary industries including banking, insurance, shipping, and textile trading (Beckert and Rockman, 2016).

South Africa

In South Africa, “confident in their own control over industry and finance, the English effectively ceded the political realm to the Afrikaners” (Marx, p. 97) who went on to establish apartheid as the law of the land in 1948. Although racist and oppressive, the main impetus of the apartheid system was to amass economic power through the accumulation of capital from a coerced labor force of Black workers. The apartheid system was one of physical separation and legal stratification of absolute power and economic privilege for the White minority Afrikaner population. Black South Africans who made up 70% of the population were relegated to 10% of the landmass in Bantustans, which were similar to Native American reservations. From these Bantustans came cheap migratory labor who worked in the mines or provided domestic service for White families. While Black mine workers earned 50¢ to 75¢ an hour, the average White worker earned \$18 to \$30 per hour (Irogbe, 1997, p. 161). In addition, migrant mine work tended to decimate Black families as miners were contractually obligated to remain away for several months in mine housing compounds comparable to prison camps.

South Africa enacted several race-based economic laws: the Mines and Works Act of 1911, which created racial stratification in mining and railroad jobs; and the Native Urban Areas Act of 1923, which allowed municipalities to use nearby lands to house temporary migrant laborers (Cell, p. 216). The latter law followed the 1913 Native Land Act, which restricted the purchase and sale of lands by the indigenous Black population. The law successfully ejected self-sufficient Black farmers from their lands, forcing them to work for White farmers or coercing work in the gold and diamond mines

where they were legally forbidden to join unions (Marx, p. 100). This was coupled with state subsidies to White farmers in South Africa to help buoy their poor economic position. These measures solidified the economic hierarchy in South Africa for generations with British-dominated mining and extractive capital at the top of the pyramid, Afrikaner land and agricultural interests in the middle, and Black coerced labor at the bottom.

United States

In the US after emancipation from slavery, there were no distinct population removals, but most Blacks remained on lands owned by Whites and provided subsistence labor for farming. Like apartheid in South Africa, Jim Crow laws⁴ and Black Codes⁵ in the southern US replaced chattel slavery with nuanced laws that restricted work, compensation, and living arrangements. A marginal improvement to slavery was an indentured servitude arrangement called sharecropping, in which Blacks worked the same lands that they had worked as former slaves but were now “sharing” economic responsibility for agricultural production. In reality, at the end of the crop season, sharecroppers often were paid little or nothing for their labor of picking cotton and other crops. Violation of Jim Crow laws often resulted in death by lynching or imprisonment in *de facto* labor camps where unpaid labor contributed to even more White capital accumulation.

⁴ State and local laws that enforced racial segregation in the Southern US. All were enacted in the late 19th and early 20th centuries by White-dominated state legislatures after the Reconstruction period following the Civil War. The laws were enforced until 1965. https://en.wikipedia.org/wiki/Jim_Crow_laws.

⁵ Laws passed by southern states in 1865 and 1866 with the intent and the effect of restricting African Americans' freedom and compelling them to work in a labor economy based on low wages or debt. [https://en.wikipedia.org/wiki/Black_Codes_\(United_States\)](https://en.wikipedia.org/wiki/Black_Codes_(United_States)).

These harsh conditions in the South led many Blacks to migrate north for jobs where they encountered an onslaught of White ethnic Europeans who were competing for the same types of jobs. This led to “a series of riots in 1917-19, in which White workers objected to the rising use of Black labor” (Marx, p. 222).

Some scholars suggest the historical roots of White supremacy and related income inequality in the US and SA can be traced to fear and social competition. In an anthology by Charles Hamilton (2001) titled *Beyond Racism: Race and Inequality in Brazil, South Africa and the United States*, G. Fredrickson reviewed the seminal work of sociologist Pierre L. van den Berghe (1967) who suggested that fear of economic and social competition in rapidly modernizing societies was the main driver of the social caste systems of apartheid in SA and Jim Crow in the US (as cited in Fredrickson, 2001, p. 7). Similarly, others highlight the state’s role in fomenting racial division and social stratification in order to support White social cohesion. Anthony Marx (1998) compared the social engineering efforts after Reconstruction in the US with similar efforts in SA after the Anglo-Boer Wars to foster White unity at the expense of Black political enfranchisement. In SA, early Afrikaner leaders including General Jan Smuts and J. B. Hertzog, along with British colonial interests led by Cecil Rhodes and Lord Milner, encouraged White domination over the native majority as a means of social control in order to secure lands and labor for industrial production.

Whether the outcome of fear, competition, White social cohesion, or racial capitalism, the resulting economic domination of White capitalists over Black labor participants became the nexus of income inequality between these segments of the population. As I noted below, democratic participation by marginalized groups in these

two countries brought some degree of political agency, but did little to close the wide income and wealth gaps accumulated over time.

Comparative Democratic Participation

Nelson Mandela's elections as president of South Africa in 1994, and Barack Obama's election as America's first Black president in 2008, were each celebrated as watershed moments in world history and highlighted the potential for liberal democracies to overcome entrenched racial divisions. These leaders accrued significant international acclaim and goodwill with their respective elections, however the polity in these countries experienced significant headwinds from pernicious opposition forces, which were bent on blocking their democratic mandates for change. These challenges can be seen in light of the historical cleavages that I have already discussed in this research.

However, the demographic differences between the two populations are striking when viewed in a democratic context. The Black majority, representing 76% of the population in South Africa, was disenfranchised for much of its history. In contrast, the Black minority in the US, representing just 13% of the population, gained the franchise constitutionally after 1865 but remained effectively blocked from full citizenship rights for 100 years until 1965. The fact that the US Constitution guaranteed in writing equality and justice for all gave advocates the legal footing in the US to challenge unjust laws. This American dilemma—the subordination of the Black population despite their constitutional rights—was the driving force social justice demanded. But South Africa's constitution did not have these built-in contradictions. The White minority rulers in apartheid South Africa made no such illusory promises to their Black majority. Indeed, as

far back as the 1800s Blacks in the Cape Colony under colonial rule hoped to exercise their democratic prerogatives in colonial decision-making. However, in order to appease the White settler community, the 1902 Peace Treaty that ended the Second Anglo-Boer War excluded a previously promised commitment to the native franchise (Marx, p. 179).

In the United States, democratic participation by marginalized groups has gradually evolved, mainly through activist constitutional and congressional legal action. In 1868, the Fourteenth Amendment to the Constitution provided for citizenship rights and equal protection under the law for Blacks. It struck down the Supreme Court's Dred Scott decision of 1857, which ruled that descended African slaves were not citizens of the United States. With the passage of this decision, former slaves (men) enjoyed a short government-protected window of opportunity that resulted in political agency during Reconstruction from 1865-1877. During this period, Black men voted and assumed elected office at the state and national levels. In the 1867 election nearly 700,000 newly eligible Black men registered and voted, resulting in a host of elected Black state legislators, several U.S. Congressmen, and two Black senators (Marx, p. 129). In some instances, voting rights were enforced by federal intervention as armed Union troops oversaw elections in the South.

As one might imagine, the Fourteenth Amendment was bitterly contested by White southerners who eventually enacted Jim Crow laws to erode the amendment's effectiveness. After the departure of federal troops, the South returned to repressive measures to restrict Black voting. These measures included a number of tactics including poll taxes and unreasonable tests and requirements. It was not until the passage of the Voting Rights Act of 1965, which provides federal remedies against voter suppression,

that legal enfranchisement of Black voters was officially achieved in the US. President Lyndon B. Johnson signed the act after extensive negotiation with Martin Luther King and other civil rights leaders.

One pushback to the newly won Black voter agency was answered by what political scholars called the “Southern Strategy” employed by President Nixon in 1968. Under the guise of “states’ rights,” the goal was to swing southern White democrats to the Republican Party by appealing to White racial ideologies. More recently, alleged voter suppression statutes have been placed in various states, including voter ID requirements, which some say disproportionately impact poor and minority voters. Some researchers suggest these new laws have been a concerted effort by monied interests like the Koch brothers to curtail democracy (MacLean, 2017). As I will discuss below, throughout the history of relations between the US and SA, economic and geopolitical interests have consistently outweighed calls for democracy and social justice.

US–South Africa Bilateral Relations and International Capitalism

The US established a consulate in Cape Town in 1799, and later recognized the independent South African state in 1929. In 1949, as the nationalistic Afrikaner party was coming into power, President Harry Truman elevated the consulate to a full embassy (US State Department, 2018). This occurred as the Cold War was beginning, and the strategic and economic interests of the US outweighed any hesitation policy makers might have had about aligning with a racist and repressive Afrikaner regime. In SA, and in the southern region of Africa in general, the primary goals were to stem Communist expansion in newly decolonizing countries and to access and oversee the mining of

uranium to support the stockpiling of nuclear weapons. Consequently, US foreign policy in support of the repressive Afrikaner regime outweighed US rhetoric about being a beacon of democracy around the world. US transnational corporations were also keen to secure cheap labor in SA as well as customers for American-made goods such as automobiles, electronics, and heavy commercial equipment.

In the 1960s as a result of international protests, the administrations of Presidents John Kennedy and Lyndon Johnson each imposed limited arms embargoes on Pretoria. By the 1970s, however, commercial interests once again motivated Henry Kissinger, Secretary of State for President Nixon, to prioritize the partnership in favor of national interests. Kissinger decided that US policy would deliberately “subordinate African rights and moral issues to U.S. economic and geopolitical interests” (Baker, 1989, p. xi). This policy continued into the 1980s and 1990s, when students and activists in the US mobilized against apartheid SA calling for boycotts, divestitures, and the release of Nelson Mandela from prison. Prior to Mandela’s release, the administration of then-President Ronald Reagan fostered “constructive engagement” as a policy that would assist SA in restoring its legitimacy and regional standing in the world (Hostetter, 2006, p. 81). In the words of Steve Biko, founder of the Black Consciousness Movement: “[The US’s] heavy investments in the South African economy, bilateral trade with South Africa, cultural exchanges in the field of sport and music . . . are amongst the sins with which America is accused” (Biko, 1978, p. 159).

Normalized bilateral relations between the US and South African political elites ran parallel with relations between international financial elites in the two countries. With companies like De Beers, Anglo American, Ford, and IBM occupying prominent places

on stock exchanges in New York and London, it demonstrates the longstanding economic connections between British, American, and South African capital. However, as SA's industrial prominence grew, anti-apartheid activists who called for economic sanctions, boycotts, and divestitures challenged the positions of these companies in the global capital markets arena. One notable mandate was the Sullivan Principles, named after African-American minister Reverend Leon Sullivan, a board member of General Motors in 1977 (General Motors was one of the largest employer of Blacks in SA). The Sullivan Principles called for US companies doing business in SA to adopt anti-apartheid codes of conduct that included equal wages for Black workers, desegregation of work facilities, and training programs to support development of Black labor into supervisory and technical positions (Campbell, 1986). These principles were widely adopted by American companies in SA and played a role in the eventual dismantling of apartheid.

Summary

The economic and political agency of Blacks in both the US and SA has been intertwined with the struggle against White supremacy. Each country has seen a privileged class seeking to preserve democracy solely for itself, while availing itself of disadvantaged Black labor in order to maintain racial advantages. These contexts gave rise to race-based income gaps for Blacks in the US and SA, and enabled cumulative capital gains for industrialists and related international financial capitalism. In the process, both nations became relatively rich, even while each retained a persistent Black underclass relegated to slums plagued by poverty, crime, and social unrest. The economic

cost to remedy these problems was pointed out by Martin Luther King who said in 1968: “Jobs are harder and costlier to create than voting rolls” (p. 6).

In both the US and SA, democracy’s promise to aid in closing longstanding discrimination and economic disparities should be undertaken by both the political class and the business class. Remedial efforts may mean walking a tightrope between satisfying private property rights and redressing systemic disadvantage through taxation and redistribution plans.

The remainder of this thesis includes a review of the scholarly literature on the topics of democracy and income inequality. Thereafter, I provide an empirical assessment of survey data on income inequality and democratic stability, and a review of the efforts by advocacy institutions to attenuate the risks and problems of extreme income inequality.

Chapter III

Review of Literature on Democracy and Income Inequality

This literature review uses a chronological approach to summarize and synthesize major areas of scholarly work and empirical evidence that contributes to answering questions surrounding the relationship between democracy and income inequality. The extensive extant literature encompasses several theories and models across various disciplines including social science, economics, and political science. The review is grouped into these sections, with highlights from major scholars in the field.

I took information from a variety of sources, including books, peer-reviewed journal articles, and reports from various think tanks. My goal is to draw upon salient points from various disciplines in order to capture and synthesize the intersection of issues such as racial cleavages, income inequality, and democracy in the United States and South Africa.

Social Sciences

Most of the social science literature confirms economic development as a causal mechanism in promoting democracy formation (e.g., Lipset, 1959). Scholars are divided, however, on the notion that democracy reduces income inequality. Some literature confirms democracy and economic growth as explanatory variables that influence a reduction in poverty and inequality, such that “rising tides lift all boats.” But other researchers have found no direct inverse relationship between democracy and income

inequality. Certainly for the countries in this review, I found that electoral gains from the civil rights movement in the US and the anti-apartheid movement in SA have not translated into significant economic gains for marginalized groups. Various explanations for this phenomenon include the legacy of racial, economic, and educational cleavages that continue to plague marginalized communities in these countries (e.g., Hamilton & Hirszowicz, 1993; Haller et al., 2016). More specifically, social scientists point to collective-action problems and a lack of support for a welfare state within ethnically stratified societies (Haller et al., 2016).

Economics

Simon Kuznets (1955) conducted a landmark study of income distribution and economic inequality as he reviewed changes from agrarian economies to industrialization. Building on Kuznets' work, economists have developed theoretical econometric models to test conventional wisdom that suggests democracy should promote redistribution of income as mass voters challenge a smaller number of wealthy elites. The Meltzer-Richard Median Voter Model (Meltzer & Richard, 1981) hypothesizes that median voters who are motivated by material self interests will support social welfare and redistributive tax policies that narrow income gaps. Thus, democracies like the US and SA should have a vast number of voters who demand policies that address income inequality. In reality they do not advocate for more equitable distribution of wealth, nor is redistribution of wealth a common theme in public policy discussions. Instead, the vast dispersion in income levels in developed democracies like the US and SA continues unabated.

Economists Daron Acemoglu and James C. Robinson (2008) corroborated these norms through empirical research of the effects of democracy on inequality. Acemoglu et al. (2015) confirm that although democracy does lead to higher taxes (p. 1927), the higher tax base does not necessarily translate into income redistribution or a reduction in income inequality. Their research “found no consistent evidence for a significant effect of democracy on inequality” (p. 1928). In fact, they noted in some instances democratization was found to *increase* income inequality in societies [like South Africa] with strong landed elites (p. 1943). The scholars suggest that perhaps new market opportunities opened to previously excluded groups may increase inequality measures in the country (p. 1945). Acemoglu et al. (2015) also describe scenarios where the elite invest in *de facto* power and effectively “capture” the apparatuses of state governments (p. 1943). This is one credible explanation for why democratization may not reduce inequality. Acemoglu and Robinson (2008) insinuated that rich constituents might increase their *de facto* power in the political realm through agenda-setting mechanisms like lobbying when their *de jure* power is eroded through democratization efforts (Atkinson & Bourguignon, p. 1888).

In Piketty’s extensive work on income inequality (2014), he attributes the rise in income inequality to the wide wage gap between workers and executives and to the structural dynamics of capitalist economies, including the notion that the rate of return on capital far exceeds endogenous GDP growth rates in most countries (pp. 303, 370-372, 395). However, some scholars believe that “economic growth alone won’t produce a desirable level of parity in the distribution of income” (Hamilton & Hirszowicz, 1993, p. xv).

Scholars of South Africa's income gap point to differences in education levels between Blacks and Whites as a primary causal factor in ongoing income inequality. However, the nexus of the income gap can be traced to the accumulation of capital by Whites with the growth of the nation's extractive industries. The discovery of diamonds and gold in SA and the extensive use of migrant labor built inequities into the system. According to Francis Wilson, the earnings ratio of White miners compared to Blacks grew from approximately 12:1 in 1936 to 21:1 by the 1970s (Wilson, 2011, p. 7). Also, Black workers were housed in closed single-sex compounds that prevented them from seeing or supporting their families for months at a time. Wilson noted that the long-term consequences of this pattern led to the simultaneous creation of wealth for Whites in urban areas, and the generation of poverty for Black workers in the mines and their families who were left in rural areas without support (p. 7). Later the apartheid system reinforced these structural disadvantages by codifying raced-based advantages for White workers and farmers who were supported and subsidized with loans, drought relief, and commodity marketing (Wilson, p. 11) while barriers to entry arose for Blacks in education, business, land ownership, and travel. These entrenched legacy issues have contributed to the lack of economic advancement for most Black South Africans today and called into question the efficacy of the nation's liberal democratic consolidation.

Political Science

Political scientists Evelyn Huber and John Stephens (2014) tested the Goldin–Katz hypothesis, which posited that inequality increased in the US because the country failed to invest sufficiently in education to cope with changing technological demands.

Huber and Stephens concluded that the US did indeed reduce investment in public education over the timeframe they tested. But they also found that other factors, including union density, deindustrialization, and single-mother households, were also determinants of income inequality (p. 262).

Alberto Alesina and Edward Glaeser (2004) concluded that attitudes toward race play a key role in the lack of redistributive policies in the US. They suggested that the nature of ethnic and religious homogeneity in European cultures made it easier for those countries to redistribute income through welfare spending without any racist arguments against purported “lazy minorities” or the vilified “other.” They surmise that the level of heterogeneity in American culture makes it “ideal for using race-baiting to fight redistribution” (p. 135) as political entrepreneurs vilify particular ethnic groups and immigrants in order to solidify their base of support. The authors concluded that racial fractionalization (a measure of levels of heterogeneity) is negatively correlated with levels of social spending, that is, countries with the highest levels of racial diversity have the lowest levels of per capita spending on social welfare programs (p. 140). This phenomenon may point to other contributing factors related to persistent social and racial cleavages in countries like the US and South Africa.

Inequality and Democratic Consolidation

Owing to threats to democratic consolidation and the erosion of democratic institutions as a result of income inequality, recent distributive conflict models have tried to predict causality between income inequality and transitions to democracy from authoritarian regimes as well as democratic reversions in highly unequal societies.

Scholars who dominate the field include Przeworski (2009), Boix (2008), Acemoglu and Robinson (2008), and Acemoglu et al. (2015). Although distributive-conflict theories point to the roles played by socioeconomic determinants in democratic transitions, Haggard and Kaufman (2012) challenged this view by testing several of these claims. They found that the distributive-conflict models captured just over 50% of the so-called “Third Wave democracies”⁶ tested during a 20-year period. They also suggested other causal factors, such as intra-elite conflict and institutional weaknesses, might play a role in regime change. With respect to institutional weakness, US skepticism about the performance of democracy was noted in surveys that found that “46 percent of respondents in an October 2016 survey reported that they either never had or had lost faith in U.S. democracy” (Foa & Mounk, 2017, p. 7).

Other scholars have concluded that extreme income inequality erodes democratization because legislators favor more wealthy constituents (Bartels, 2008) and (Gilens, 2012). These oligarchic leanings reflect the notion of a “captured democracy” as articulated by Acemoglu and Robinson (2008), and are at the heart of the risks of democratic backsliding in leading democracies like the US and SA. Winters and Page (2009) went further, characterizing the US as an oligarchy and a democracy in totality, believing that the two regime types are not mutually exclusive. They believe “oligarchy limits democracy but does not render it a sham” (p. 732). Their definition of *oligarchy* involves “the exercise of power by the richest citizens . . . who deploy their massive

⁶ In his 1991 book *The Third Wave*, Samuel Huntington defined a democratic wave as “a group of transitions from nondemocratic to democratic regimes that occur within a specified period of time and that significantly outnumber transitions in the opposite directions during that period of time” (p. 15). Huntington states that the Third Wave began in 1974 (Portugal) and included the historic democratic transitions in Latin America in the 1980s, Asia-Pacific countries and regions (Philippines, South Korea, Taiwan) from 1986 to 1988, Eastern Europe after the collapse of the Soviet Union, and sub-Saharan Africa beginning in 1989. See: https://en.wikipedia.org/wiki/Wave_of_democracy.

wealth for political purposes (p. 732). In that regard, when policy preferences are dictated by the richest one percent, then redistributive policy choices do not gain traction even as the safeguarding of material interests of the wealthy (through tax policies and other means) is promulgated.

Summary

As I have noted, economists, social scientists, and political scientists have investigated various aspects of economic inequality and its relationship to democracy and ethnicity. Empirical research of democracy and income inequality often uses cross-national datasets and collected Gini coefficients to test correlation between some measure of democracy using ordinary least squares (OLS) and other regression techniques. Extensive models have been developed to anticipate the actions of elites, politicians, and the masses. The research that follows focuses on intra-country comparisons between the US and South Africa using survey data focused especially on marginalized groups' and their views on democracy and income inequality.

Chapter IV

Survey Data and Income Inequality Analysis

In this chapter I perform a comparative assessment of the views of marginalized groups in the US and SA toward income inequality and democratic consolidation by reviewing survey data from two sources: the Social Inequality Survey IV (ISSP) and the World Values Survey Wave 6 (WVS). In addition, I analyze empirically observable trends in democratic agency in the US and SA using indicators from the Varieties of Democracy (V-Dem) dataset covering the years 1990 to 2015. Lastly, income inequality graphs from the World Income Database (WID) are presented to demonstrate overall trends in income inequality in the US and SA over the period under review.

Methods Overview

While many scholars believe that inequality has a negative effect on the quality of democratic participation (Bartels, 2008; Gilens 2012) and democratic consolidation (Acemoglu, 2008; Boix, 2008; Foa & Mounk, 2017), I questioned these normative assumptions on a micro basis by analyzing survey data collected from WVS and ISSP. Specific survey responses from marginalized groups in the US and SA were sub-selected using STATA, and tested using the following Null Hypothesis, which reads:

Income inequality poses a threat to democratic consolidation because marginalized groups are disappointed in democratic regimes' responsiveness to income inequality.

In order to test this hypothesis, I utilized survey questions from datasets from ISSP and WVS as described below.

Social Inequality Survey IV

The 2009 survey data from the Social Inequality Survey IV was produced by the International Social Survey Programme (ISSP), which in 1984 began to conduct various surveys of social science topics for 50 member countries (Gesis.org). Of the 70+ survey questions from the Social Inequality Survey IV, I extrapolated several questions relating to social cleavages involving race and income inequality. Questions included:

V14: How important is a person's race in getting ahead?

V32: Are differences in income too large in your country?

V33: Is the government responsible for reducing income inequality?

V40 Are there conflicts between poor people and rich people?

Using STATA statistical software, I parsed survey data for the US and SA, focusing on the target population of Blacks who completed the surveys. There were 1,977 Blacks from SA and 163 Blacks from the US in my sample, for a total sample size of 2,140 participants. Data on the demographics of this sample found that 52% of Black South Africans self-reported that they belonged to the lower class, while only 5.5% of Blacks from the US reported being from the lower class. Approximately 20% from SA and 30% from the US reported being middle class. A negligible number from both groups reported being from the upper class. With regard to educational attainment, 33% of Black South Africans reported no formal education qualifications, while only 1% of US Blacks reported no educational qualifications. Within this category, 37% of South Africans and

41% of US respondents reported completion of secondary school, while 4% SA and 14% US reported completing university.

Regarding the importance of race in getting ahead, attitudes were similar for Black South Africans and Black Americans, as shown in Figure 3, with both groups reporting that race is either very or fairly important in getting ahead in their country. But of note, in Figure 4, of the extreme ranges of race being *essential* or *not at all important*, there was a divergence of beliefs between Blacks in SA versus Blacks in the US. More Black South Africans felt race was *essential* in getting ahead than Blacks in the US. In terms of race *not being important at all*, Blacks in the US reported a higher percentage than Blacks in SA. This is likely due to the differences in these countries' relative progress regarding racial integration, since the US has more than 30 years of racial progress ahead of South Africa whose apartheid regime ended in 1994. Additionally, Blacks in the US are viewed as further along economically than Blacks in SA, which likely affects their views on economic equality.

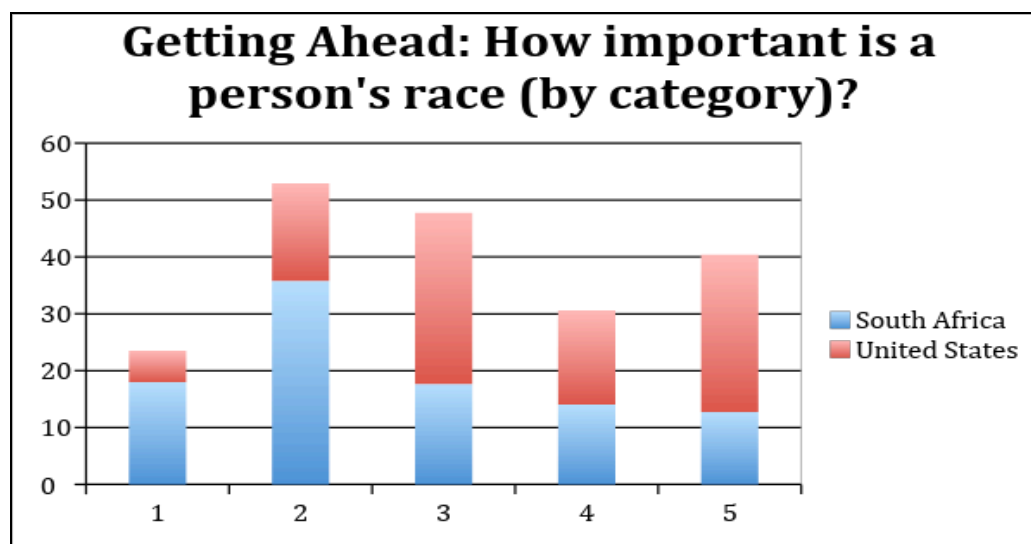


Figure 3. How Important is Race in Getting Ahead? (by category)

Source: Compiled by author using data from ISSP, 2009 dataset

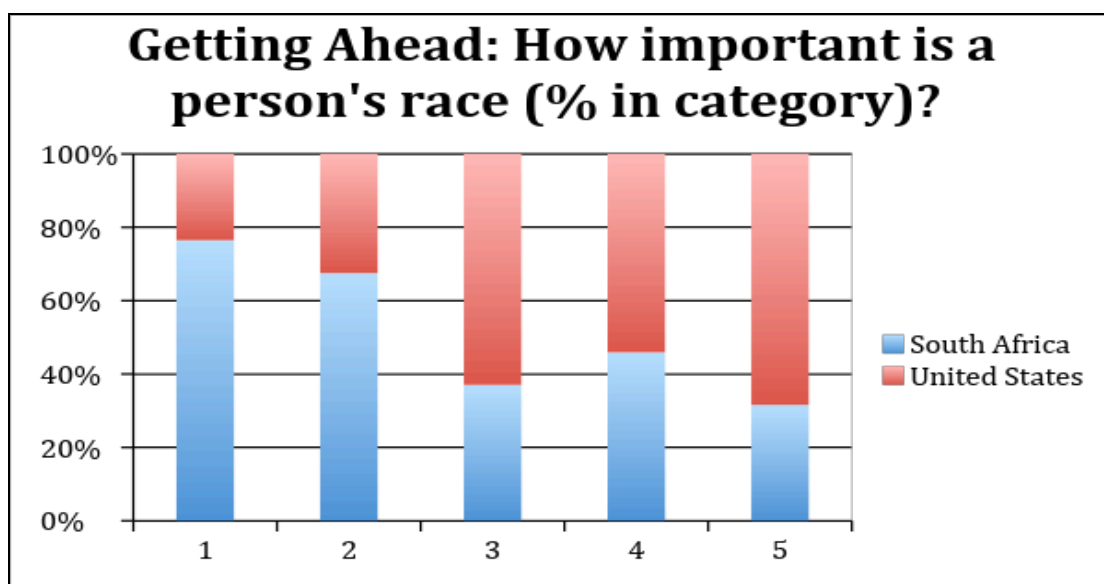


Figure 4. How Important is Race in Getting Ahead? (% within category)

Source: Compiled by author using data from ISSP, 2009 dataset

In both the US and SA, the majority of respondents agreed that income differences were too large in their countries (see Figure 5). Very few respondents from SA disagreed with this question.

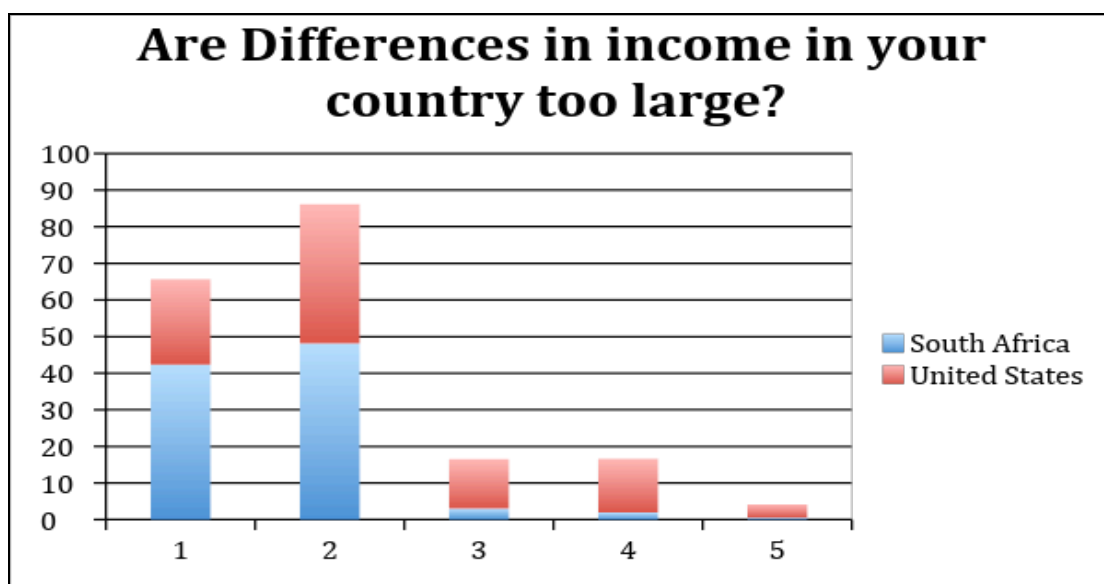


Figure 5. Are Differences in Income Too Large?

Source: Compiled by author using data from ISSP 2009 dataset

Similarly, in both the US and SA, the majority of respondents agreed that it was the responsibility of government to reduce differences in income between people (see Figure 6). However, of those who disagreed that government should reduce income differences, more Blacks in the US disagreed than in did Blacks in SA. This might be due to a more entrenched capitalist *laissez-faire* economic ideology in the US than in SA, where individuals are expected to pull themselves up by their bootstraps instead of relying on government assistance.

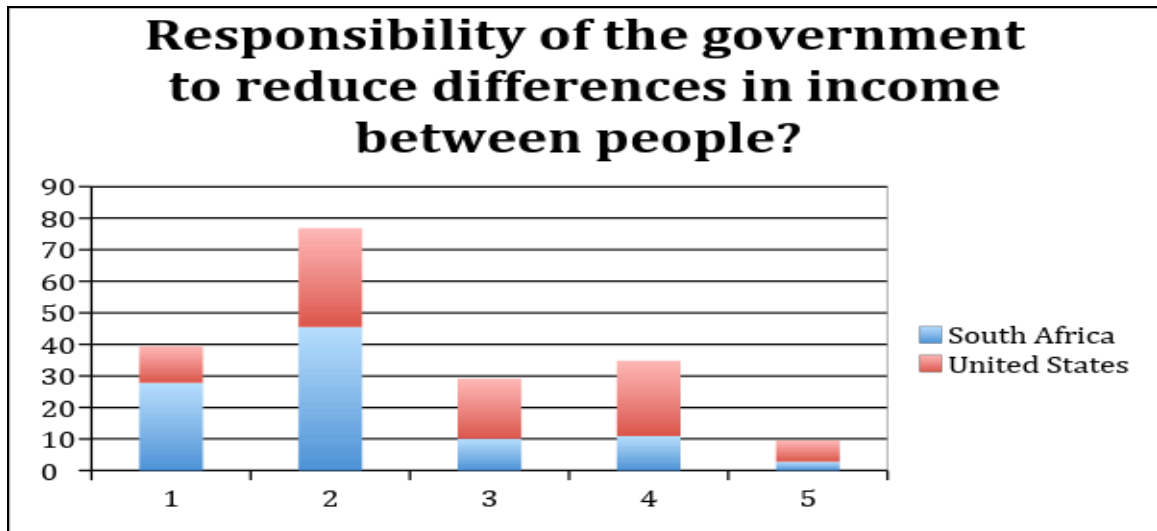


Figure 6. Is Government Responsible for Reducing Income Differences?

Source: Compiled by author using data from ISSP 2009 dataset

Although there is a lack of recent visible class conflicts in the US (such as riots), it was surprising to see in Figure 7 that the majority of respondents from both countries felt strongly or very strongly that there were conflicts between poor and rich people in their country.

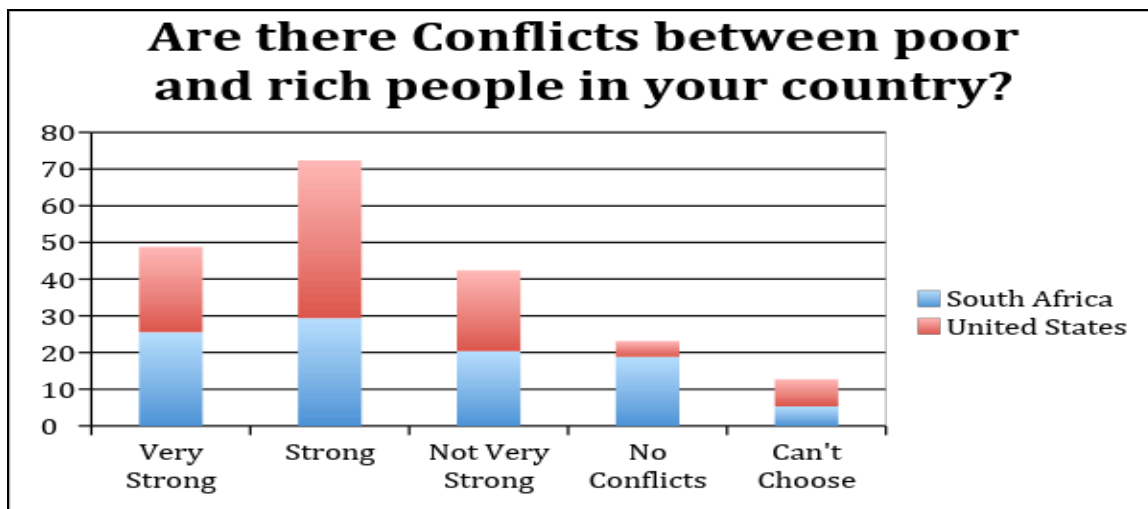


Figure 7. Are There Conflicts Between Poor and Rich People?
 Source: Compiled by author using data from ISSP 2009 dataset

However, my hypothesis does not suggest that conflicts between rich and poor translate into risks of democratic deconsolidation. These results must be viewed against feelings toward democracy and what it delivers to people in order to conclude whether democratic consolidation in the US and SA is at risk due to income inequality. These questions will be taken up as I assess data from the World Values Survey.

World Values Survey Data

I sub-selected Black survey respondents from the US and SA from the World Values Survey (WVS) Wave 6 (Inglehart, et al 2014) in order to assess their views of the importance of democracy and any governmental responsibility for income equality. WVS is administered by hundreds of social scientists around the world and uses a common questionnaire for nearly 100 countries. The survey attempts to capture beliefs, values, and motivations of people globally.

In the Wave 6 dataset there were 2,661 Blacks from SA and 216 Blacks from the US in my sample, for a total population of 2,877 participants. Table 1 shows results for questions V140, which asks “What is the importance of democracy?,” and V141, which asks “How democratically is the country governed today?” The responses to V140 are tallied as ordinal variables ranging from 1 to 10, where 1 = *not at all important* to 10 = *absolutely important*. Similarly, the responses to V141 are tallied as 1 = *not at all democratic* to 10 = *totally democratic*.

As noted in Table 1, less than 3% of respondents in the US and SA felt democracy was not important or that their country was not at all democratic. The majority of respondents in both countries responded in the range of 5 to 10 for both questions, suggesting that democracy is firmly entrenched as a political regime type. This commitment to democracy is most vehement in the US with 43% of respondents indicating that democracy is absolutely important. It is likely that respondents agree with the attitudinal points on democratic consolidation highlighted by Linz and Stepan (1996) that democracy “is the only game in town.”

Table 1. How Important is Democracy and Democratic Governance? (%)

Democracy (V140) / Governance (V141)	V140 SA	V140 US	V141 SA	V141 US
1-not at all important / not at all democratic	1.58	2.78	2.33	1.85
2	0.56	0.0	0.90	0.46
3	1.35	0.93	2.25	2.78
4	3.12	0.93	5.86	4.17
5	9.13	8.33	12.5	12.96
6	11.0	7.41	15.2	13.43
7	14.3	5.09	17.7	16.20
8	20.2	12.5	18.3	17.59
9	11.3	12.9	9.66	9.26
10-absolutely important / completely democratic	25.6	43.5	13.2	13.43

Source: Compiled by author using data from WVS, Wave 6

Although some scholars posit that income inequality increases the possibility of backsliding from democracy to dictatorship (Houle, 2009), based on my review of the survey results here, it appears that the risk of deconsolidation due to extreme income inequality is not high at all. Most respondents agreed that income inequality was too high in their country, but they accepted the legitimacy of their democratic regimes. These findings corroborate empirical studies done by Knutsen (2015) who opined that income inequality poses no risk to democratic stability.

In terms of democratic governance, question V141 in Table 1 asks whether the country was currently being governed in a democratic manner. For both the US and SA, the majority of responses were skewed toward the higher end, suggesting that respondents believed their country was being governed in a democratic manner. In fact, over 13% of the respondents in SA and the US felt their country was completely democratic. These responses, coupled with the view that democracy is important, suggests (contrary to my hypothesis) that income inequality does not pose a threat to democratic consolidation.

Table 2 shows the results for two income-related questions: V96: “Should income be made more equal?” and V59: “What is your satisfaction with your household finances?” Responses to the question regarding making income more equal reflected mixed results, with the majority of responses in the 5th to 8th place, suggesting respondents felt relatively content with the income distribution in their country. These responses were inconsistent with responses to similar questions in the ISSP survey reported in Figures 5 and 6 earlier. It is possible that the wording of this particular survey question was confusing to respondents. According to the survey responses, 14.39% of Black South Africans think that income differences should be *larger* as an incentive to increase individual effort.

Table 2. Income Inequality and Satisfaction with Finances (%)

Should income be made equal? (V96) / Satisfaction with household finances (V59)	V96 SA	V96 US	V59 SA	V59 US
1-Income should be made more equal / Completely dissatisfied	10.11	12.96	6.80	8.33
2	2.82	7.41	2.86	3.24
3	4.28	5.56	5.90	7.87
4	7.89	6.94	10.03	7.87
5	13.53	18.06	13.38	15.28
6	13.30	12.50	14.28	13.43
7	13.60	6.94	15.63	13.43
8	12.55	11.11	16.05	14.35
9	5.60	5.56	5.79	7.87
10-Need larger differences / Completely satisfied	14.39	9.26	8.61	6.94
No answer	0.0	3.70	0.0	1.39
Don't know	1.92	0.0	.68	0.0
Totals	100%	100%	100%	100%

Source: Compiled by author using data from WVS, Wave 6

Two WVS questions in particular address certain notions about democracy and income redistribution. Question V131 asks: is it essential that democratic governments

tax the rich and subsidize the poor? Question V137 asks: is it essential in democracies that the state makes people's income equal? The results are shown below in Table 3.

Table 3. Tax the rich to subsidize the poor; should the State make incomes equal?

Are these essential in democracies?

Tax rich and subsidize poor (V131 / State makes people's income equal (V137))	V131 SA	V131 US	V137 SA	V137 US
1-not essential in democracies	5.37	11.57	3.42	15.28
2	2.93	3.24	2.86	6.02
3	4.17	4.17	4.47	8.33
4	6.20	5.09	7.29	6.48
5	10.41	22.55	12.48	23.15
6	10.18	9.72	12.14	8.33
7	11.39	8.33	12.29	7.87
8	13.90	13.43	13.42	6.48
9	14.99	6.48	12.66	2.31
10-essential in democracies	19.24	9.72	17.81	10.19
No answer	0.0	6.02	0.0	5.56
Don't know	1.20	0%	1.16	0.0
Totals	100%	100%	100%	100%

Source: Compiled by author using data from WVS, Wave 6.

The responses to these two questions resulted in the largest variability between US and SA respondents. Twice as many Americans than South Africans (11.57% and 15.28% versus 5.37% and 3.42%) responded that these notions were not essential characteristics of democracy. In contrast, of those respondents who said taxing the rich to subsidize the poor (V131) and making people's income equal (V137) were *essential* components of democracy, nearly double the respondents were from SA as opposed to the US. It is likely that these strong redistributive beliefs by marginalized South Africans are a result of the ANC's rhetorical social contract promising a new and more inclusive democracy and economy after the end of apartheid. The ANC's delivery (or lack therefore) on that social contract will be considered in Chapter 5. Suffice to say, "When the social contract gets broken, social cohesion quickly erodes" (Stiglitz, 2013, p. 157). Further, based on the Varieties of Democracy results discussed below, SA moved in the opposite direction of the social contract, maintaining an extremely high level of income inequality after apartheid ended.

Varieties of Democracy Indices

The Varieties of Democracy (V-Dem) collection is one of the largest datasets in the social sciences, with approximately 19 million data points representing 201 countries from 1789 to 2017 (V-dem.net). It attempts to measure the complexity of democracy beyond historical indicators produced by Polity and Freedom House.

V-Dem has five broad categories that define nuanced levels of democracy: electoral, liberal, participatory, deliberative, and egalitarian. It has over 350 indicators that measure the quality of democracy within these components, including but not limited

to, media and judiciary freedom, gender equality, and income inequality (V-dem.net).

According to V-Dem, both the US and SA are considered liberal democracies because in addition to free and fair elections, each country functions according to certain criteria, including rule of law, protection of minority rights, and equality of expression.

For purposes of this research, I focused on the electoral and the egalitarian measures of democracy because these represent the minimum and maximum measurements of democracy at V-Dem. Electoral democracy is the minimum measure of democracy and encompasses free and fair elections and an independent media capable of presenting alternative political views (V-dem.net). On the other hand, egalitarian democracy is the broadest measure of democracy within V-dem's conceptual framework and is based on the concept that true democracy rests on the ability of all citizens to equally participate in the governing process (V-Dem Codebook). It implies democratization of access for all social groups such that equal protection exists and there is no inequality of access to resources and information.

With that in mind, I also retrieved from V-Dem the high-income inequality indicator for SA and the US. This indicator measures whether the share of GDP earned by capital is one standard deviation above the mean (V-Dem Codebook), and reflects whether a nation has extreme income inequality. Using V-Dem data, I parsed 21 years of democracy and income inequality data trends for the US and SA from 1994 to 2016 to ensure that the years within the scope of my research, (i.e., 1995 to 2015) are included in the results presented below.

As noted in Figure 8, South Africa's High Income Inequality Gini index remained well above the maximum levels throughout the period, with 2012 reaching the highest

rank in income inequality among liberal democracies in the world. The extreme income inequality in SA contributed to the lower-level egalitarian democracy trends observed in the country compared to the electoral democracy index.

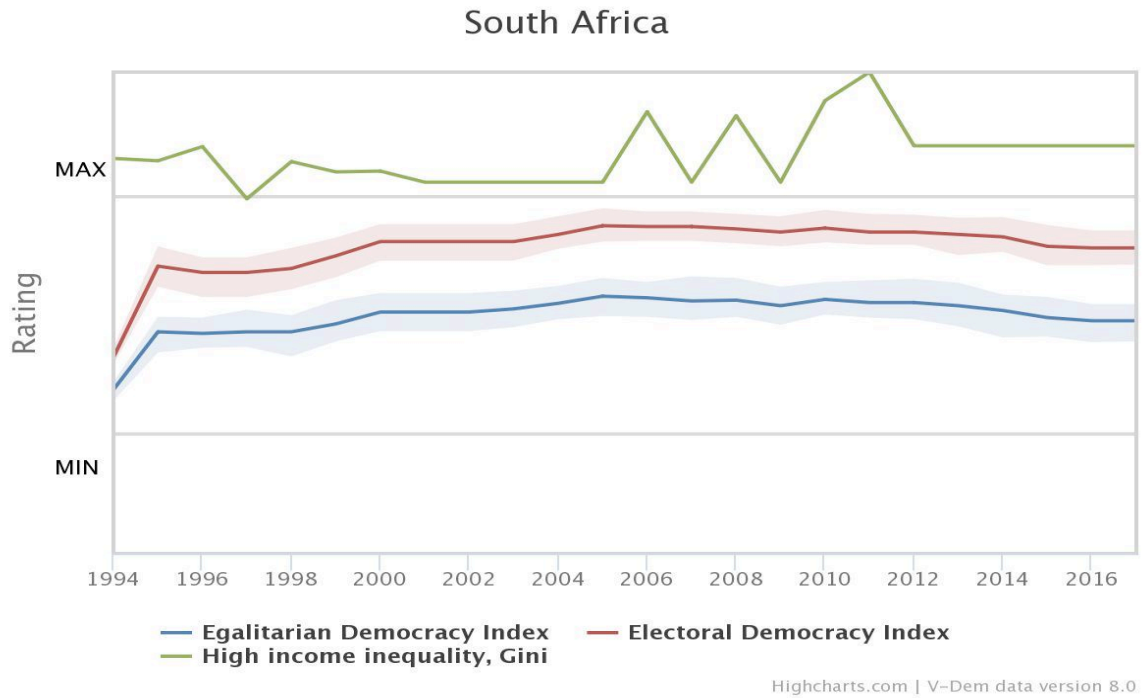


Figure 8. South Africa Democracy and Income Inequality Indices.

Source: Compiled by author using data from V-Dem data, version 8.0.

The concurrence of electoral democracy and high income inequality in SA contrasts with the US (see Figure 9) where the high income inequality index reflected a middling range. Still, there is a gap between electoral and egalitarian democracy trends in the US, with a downward trend in both indices beginning in 2015.

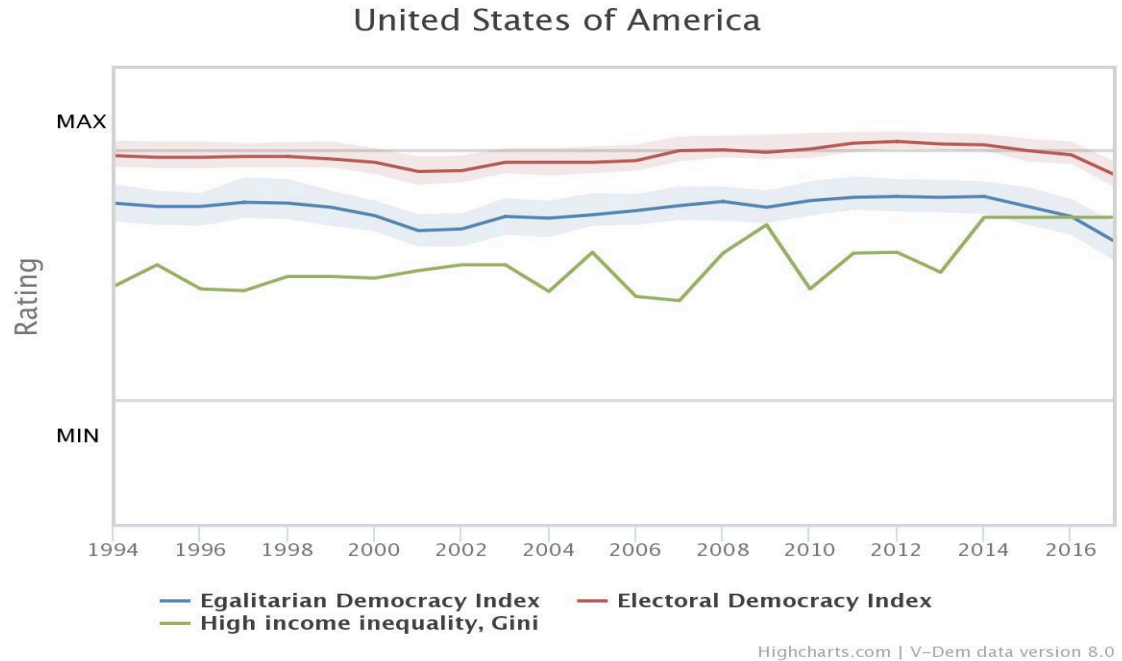


Figure 9. US Democracy and Income Inequality Indices.

Source: Compiled by author using data from V-Dem data, version 8.0

Figures 10 and 11 below are similar V-Dem charts for Finland and South Korea. They are included for information purposes only, as a way to compare the impact of cultural homogeneity on democracy and income inequality. These two relatively homogeneous cultures have no noted historical racial cleavages, so their egalitarian and electoral democracy indices are both high and relatively congruent. Likewise, their high income inequality indices are at or near the minimum levels. Although outside the scope of this research, I would suggest that countries that are not marred by racial capitalism and ethnic marginalization find it easier to achieve high levels of democracy with correspondingly low levels of income inequality.

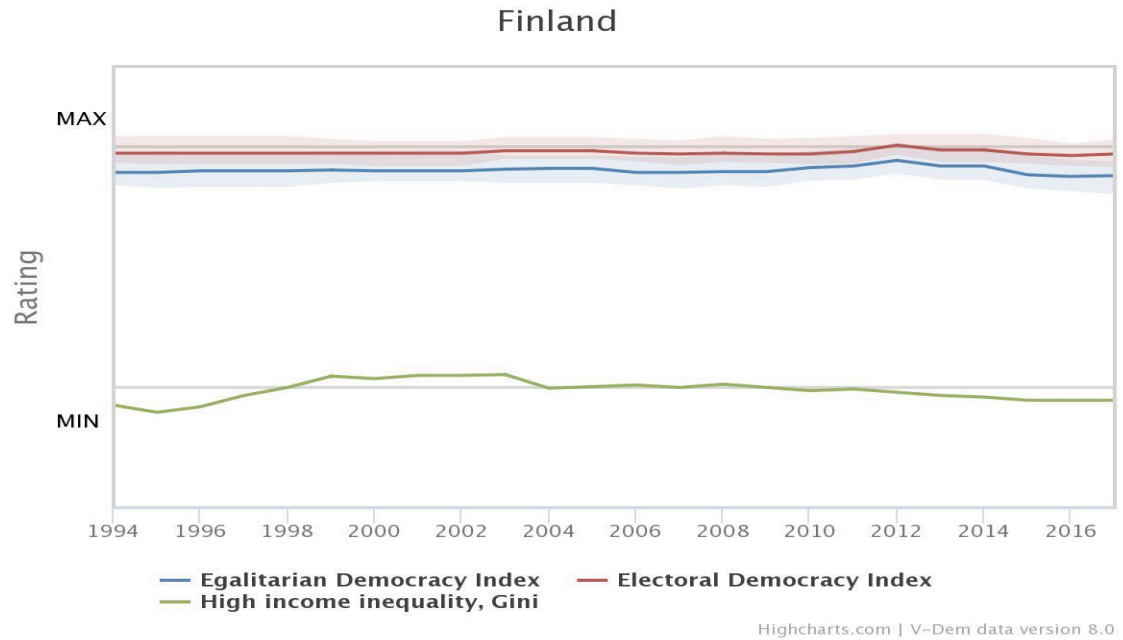


Figure 10. Finland: Democracy and Income Inequality Indices.

Source: Compiled by author using data from V-Dem data, version 8.0

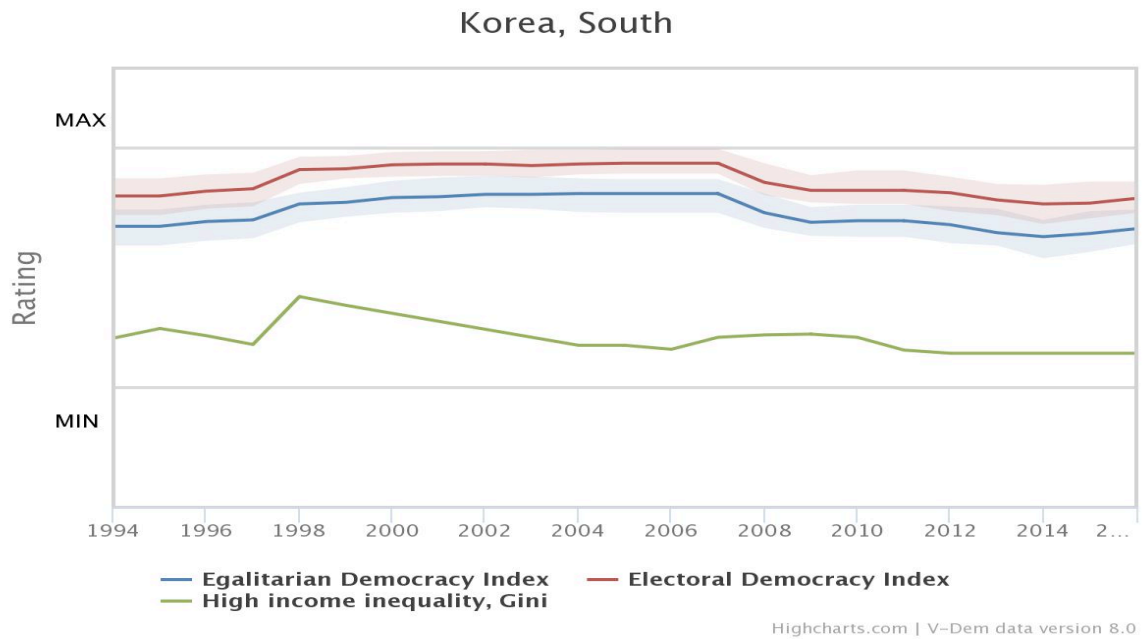


Figure 11. South Korea: Democracy and Income Inequality Indices.

Source: Compiled by author using data from V-Dem data, version 8.0

Issues of marginalization and social cleavages are not specifically captured in the World Inequality Database (WID), which I will examine next. However, the underlying effects can be seen in WID income distribution trends for the US and SA, as illustrated below in Figures 12, 13, and 14 in the next section.

World Inequality Database

The World Inequality Database (WID) captures income and wealth inequality data across several decades for over 50 countries using tax and fiscal data, survey data, and wealth rankings. The database grew out of work by Thomas Piketty, Emmanuel Saez, and other scholars in the field and captures top income shares (e.g. 1%, 10%) for country specific income levels. I drew on this dataset to provide illustrative graphs that reflect trends in income inequality in SA and the US.

Although WID does not capture ethnic- or race-specific demographic data, the macro-level income inequality trends in the US and SA share similar upward trajectories with those at the top of the income distribution taking on higher levels of income compared to those at the bottom of the income strata. Figure 12 shows the divergent trends in income shares in the US between the top 1% in the country versus the bottom 50% during the period 1995 to 2014. Income shares of the top 1% rose during the period, while the incomes of the lower half of the country declined during the same period. The rich became richer and the poor became poorer.

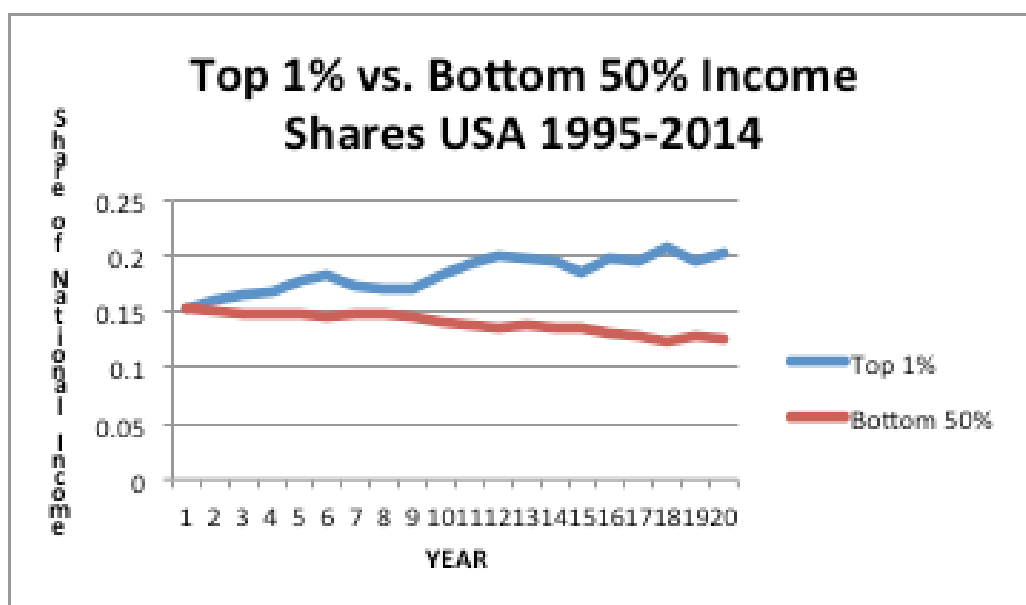


Figure 12. US Top 1% vs. Bottom 50% Trends Over 20 Years.

Source: Compiled by author using data from WID.org

WID has not yet captured similar data for SA, but Figure 13 shows WID's capture of SA income shares for the top 1% in the country, which showed an upward slope from 2002 to 2012. Trends in South Africa's top 10% of income are noted in Figure 14, reflecting a huge upswing from 58% in 2009 to nearly 66% in 2012.

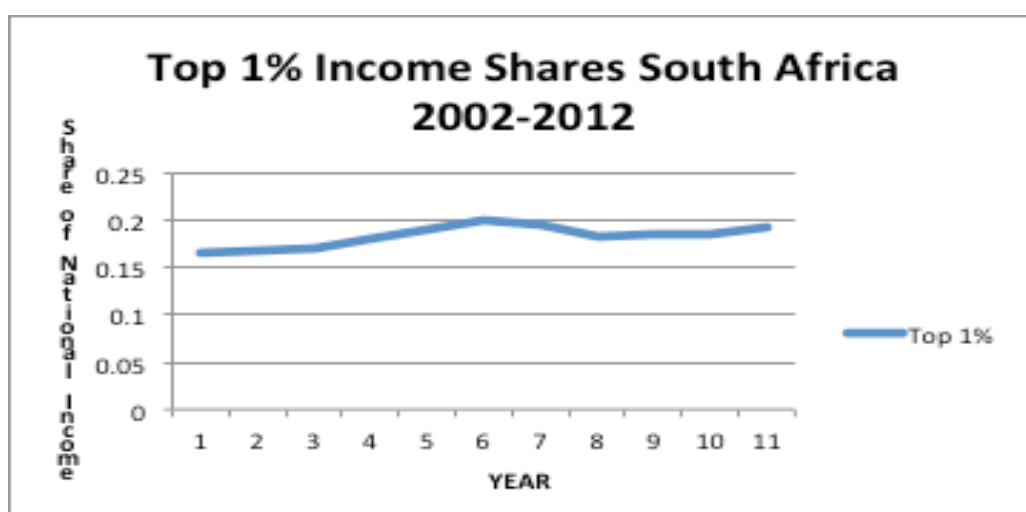


Figure 13. South Africa Top 1% Share over 11 Years.

Source: Compiled by author using data from WID.org



Figure 14. South Africa Top 1% Share Trend over 5 Years.

Source: Compiled by author using data from WID.org

Summary

As this thesis explores marginalized groups' views on democracy and income inequality in the US and SA, it was important to analyze survey data from widely respected sources like ISSP and WVS. The main conclusion I drew from this data is that marginalized groups in both countries remain strongly committed to democracy. Respondents in both the US and SA shared strong views regarding the acceptability of democracy as the ideal form of government.

The second conclusion that emerges is that many more respondents from SA felt that a major component of democratic governance includes the idea that the State is responsible for ensuring that income distribution is more equal. This is likely due to the social contract engendered with the abolishment of the apartheid system in South Africa, in contrast to the more entrenched *laissez-faire* capitalist views in the US. Nonetheless,

respondents in both countries felt strongly that conflicts between the rich and poor in their country were on the rise. These feelings likely reflect dissatisfaction with the income inequality trends noted in the WID and V-Dem data. That data shows clearly that income inequality in the US and SA arose during the period under review, along with a decline in egalitarian democracy in these countries, especially in later years.

Although individual challenges to these trends in income inequality and democratic erosion are not the specific direction of this thesis, I will discuss institutional responses to these issues in Chapter 5. In that chapter I will review archival data from two major advocacy groups, namely, the African National Congress and the National Association for the Advancement of Colored People, to ascertain their efficacy with respect to these topics on behalf of marginalized groups.

Chapter V

Analysis of Archival Data from Advocacy Institutions

To test my hypothesis that advocacy groups steer constituents toward elective democratic participation instead of economic empowerment and income redistributive efforts, I undertook a review of primary sources from the digitized archives of the National Association for the Advancement of Colored People (NAACP) in the US and the African National Congress (ANC) in SA. I chose these institutions because they each have a long history of advocating for marginalized groups in their respective countries. In addition, each institution is the largest and best known group of its kind in its respective country.

The scope of my archival research entailed pre-selecting key words and phrases to be searched in the digitized archives during a specified historical period in the organization's history. My analysis here begins with a brief historical background of each organization, which helps to contextualize major themes undertaken during the periods under review. Taken together, this combination of historical context and descriptive narratives undertaken in the US and SA shed light on advocacy groups' attitudes toward democratic participation, economic agency, and income inequality. As I note below, the ANC and NAACP shared similar aspirations but used varying approaches to achieve their goals: the ANC initiated mass protests and armed struggle; the NAACP launched slow and steady legal maneuverings and political mobilization to secure rights for African Americans.

Brief History of the NAACP

An early forerunner of the NAACP was the Niagara Movement, founded in 1905 by Harvard-educated scholar W. E. B. Dubois. This elite organization of all Black, college-educated men and women was the first national organization formed with the mission to advocate on behalf of Blacks for the equal civic and political rights espoused in the Fourteenth and Fifteenth amendments to the US Constitution.

By 1908, however, the Niagara Movement began to falter due to lack of funding and in-fighting among its leaders (Levine, 2009). Staunch opposition to the group came from the leading Black spokesman of the time, Booker T. Washington, who headed the National Afro-American Council, which espoused accommodationist policies focused on developing trade skills and economic empowerment instead of political power.

Washington's vocal opposition discouraged White patronage of the Niagara Movement and hindered positive press coverage of their activities (Fredrickson, 1995, p. 111).

In 1908, a horrific race riot broke out in Springfield, Illinois, which became the impetus for the creation of the NAACP. Mary Ovington, a wealthy White northerner who had heard of the race riot, organized a meeting in which she and several prominent men and women called for a convention to deal with the plight of the Negro, calling "upon all believers in democracy to join in a national conference for the discussion of present evils, the voicing of protest, and a renewal for the struggle for civil and political liberty" (Hughes, 1962, p. 22). The organization formed in 1909 was originally called the National Negro Committee but it later changed its name to the National Association for the Advancement of Colored People. It was decided early in the organization's development that questions of labor and economic empowerment would be subordinate

to issues of disenfranchisement and equal educational opportunities. The platform of the nascent organization focused on enforcement of the Fourteenth and Fifteenth Amendments and equal educational access for Negroes.

Moorfield Storey, a White lawyer and anti-imperialist, was the NAACP's first president and he led it for its first 20 years, from 1909 to 1929. During its formative years, the NAACP was dominated and financed primarily by Jewish liberals including Joel Spingarn who was chairman of the board from 1914 to 1919, and treasurer from 1919 to 1930. His brother Arthur Spingarn became head of the NAACP's legal defense arm, and Kivie Kaplan was chairman of its Life Membership committee. Kaplan went on to become NAACP president from 1966 to 1975. All high-level positions within the organization were held primarily by White men, while the post of executive secretary (later renamed executive director)—the public face of the organization—was typically held by a Black man. The first executive secretary position held by a Black man came in 1920 when author James Weldon Johnson was selected as executive secretary.

Although it is often implied that W. E. B. Dubois was the founding leader of the NAACP, the board hired Dubois in 1910 as editor of the NAACP magazine called *The Crisis*. According to comparative historian George Fredrickson, Dubois provided credibility to the organization among the Black masses, as he was primarily a publicist, producing the group's magazine while White men oversaw the main duties of the organization (1995, p. 113). The organization remained controlled by White men who directed policy and monopolized key executive positions including chairman, president, executive committee chairman, and treasurer. In my mind, the perplexity of a civil rights organization advocating on behalf of Blacks but long dominated by Whites, signals the

continuation of long-held paternalistic interactions between Blacks and Whites that could call into question the organization's underlying motives. According to Fredrickson:

“Whites were reluctant to back an all Black organization over which they had no control” (1995, p. 111). It was not until the 1970s that Blacks gained executive leadership of the organization beyond the visible executive director role (Jonas, 2005, p. 114).

Nonetheless, the alliance within the NAACP between American Jews and African Americans produced a rich panoply of civil rights legislation including the Civil Rights Act of 1964, the Voting Rights Act of 1965, and the landmark Brown vs. Board of Education Supreme Court case.

During the 1930s, the executive secretary of the organization was Walter White who served from 1931 to 1955. He was a blond-haired, blue-eyed man who self-identified as a Negro, asserting that he was 1/32nd Black (Verney & Sartain, 2009, p. 4). Walter White spearheaded the NAACP's anti-lynching campaign, which continued for decades in an attempt to pass federal anti-lynching legislation that was repeatedly defeated in the Southern controlled US Senate. However, because he could pass for White, he was able to gain access to Southern Whites and investigate lynching incidents throughout the South. He concluded that the majority of lynchings correlated with the price of cotton, that is, he noted that lynching and mob behavior were often a result of the vicissitudes of the rural economy and were “rooted in White supremacy and economic jealousy” (Verney & Sartain, 2009 p. 8) that arose when poor Whites envied the relative success they saw in the descendants of slaves.

However, according to Verney and Sartain, Walter White was instrumental in thwarting a robust reform effort of the NAACP in 1934, during the Great Depression,

called the Committee on Future Plan. The plan called for a robust economic program, alignment with labor unions, and a mass action impetus. White believed that African Americans would see greater progress through voting instead of mass action and economic empowerment because they could be the decisive swing vote in the north in presidential elections (p. 13). Walter White's first political action mobilization efforts attempted to block the nomination of John Parker, a racist from North Carolina, to the U.S. Court of Appeals in 1925. He enlisted 122 NAACP branch offices in a letter-writing campaign to President Herbert Hoover and to their individual senators, urging them to reject the nomination. Working with organized labor and other progressive factions in the nation, Parker's nomination was defeated in the Senate by a vote of 41 to 39 (Jonas, 2005, p. 121). The NAACP went on to target the senators who voted in favor of Parker and helped defeat several of them at the polls.

This successful political mobilization became the hallmark of Walter White's vision for the NAACP. It demonstrated potential Black political power and helped steer the trajectory of the organization for the next several decades in electoral politics. The organization also continued its cautious and moderate gains in desegregation, legal defense of those deemed falsely accused, and gaining educational access for Blacks.

According to Marx (1998), the NAACP

remained focused on Blacks gaining rights as Americans rather than asserting racial identity or engaging in protest. As such the NAACP gradually declined in influence until its use of the courts began to bear fruit in the 1950s. (p. 221)

However the organization made tremendous strides in the areas of educational access, with notable figures in the legal fight against segregation including Charles Hamilton Houston and Thurgood Marshall (the first Black seated on the US Supreme

Court). During those early years, the organization had little focus on economic empowerment or impact on Black financial agency.

Even though the main impetus of the NAACP was political and civil rights, it later joined forces with organized labor and collaborated with A. Phillip Randolph who organized the Brotherhood of Sleeping Car Porters. In 1966, the A. Philip Randolph Institute produced the Freedom Budget For All Americans, which provided a well-articulated blueprint for the elimination of poverty within ten years and a more equitable income distribution in the US. According to this document, a concerted effort should be made by the American government to reconstruct the economy to include full employment and an economic safety net for those unable to be gainfully employed. Part of my archival research presented hereafter includes an assessment of the NAACP's efforts (or lack thereof) in championing the Freedom Budget initiatives.

NAACP Archival Research

The digitized archives of the NAACP were accessed through the ProQuest History Vault, which contains approximately two million documents including internal memos, legal briefings, and direct action summaries from national, legal, and branch offices throughout the country (ProQuest.org). The documents span nearly 70 years, from the founding of the organization in 1909 to 1972, and include key civil rights milestones such as the Brown v. Board of Education decision to desegregate public schools, the Civil Rights Act of 1964, and the Voting Rights Act of 1965.

For purposes of this thesis, in order to ascertain whether the NAACP focused on political empowerment over economic empowerment and income redistribution efforts, I reviewed the organization's archives spanning a four-year period from 1967 to 1970. I had three reasons for selecting this timeframe:

1. I sought to concentrate on a period of time *after* key legislative accomplishments were secured, including the Civil Rights Act of 1964 and the Voting Rights Act of 1965. With major civil rights legislation secured, my sense was that this should be a key time to refocus organizational efforts toward economic empowerment for marginalized groups in the USA.
2. In 1966, A. Philip Randolph, in consultation with major economists, produced the Freedom Budget For All Americans. This economic framework was widely endorsed by prominent leaders including Martin Luther King, Jr., the Southern Christian Leadership Council, scholars, clergy, and the NAACP. The extent to which the NAACP embraced and aggressively advocated on behalf of major initiatives in the Freedom Budget, including the eradication of poverty within ten years, was part of the focus of my archival investigation.
3. The period from 1967 to 1970 included the contentious primaries and presidential election of 1968, in which Republican Richard Nixon ran and won against Democrat Hubert Humphrey.

I selected several key words and terms to search the digital archives. Those words included: *Freedom Budget*, *wages*, *capital(ism)*, *economic empowerment*, *economic advancement*, *entrepreneur(ship)*, *income distribution*, *income inequality*, *full employment*, *federal elections*, *political party*, *presidential election*, *federal candidates*,

voting, voters, and voter registration. Furthermore, to aid in the investigation of the NAACP's endeavors, my archival search included a review of the board minutes and correspondence of Executive Director Roy Wilkins and instances where the Freedom Budget was noted.

The Freedom Budget For All Americans

A. Philip Randolph's Freedom Budget made the case that the moral failings of the most prosperous nation in the history of the world having 34 million Americans entrenched in poverty was inexcusable. He believed that the ability to share in the nation's wealth was a right, not just for African Americans but for Whites and Hispanics as well.

The Freedom Budget included seven basic objectives (Randolph, 1966):

1. Full employment
2. Decent and adequate wages [raise the federal minimum wage to \$2].
3. Decent living standard for those who could not work
4. Wipe out slums and provide adequate housing.
5. Cost effective healthcare and education
6. Clean air and water
7. Full production and high economic growth.

The Freedom Budget requested \$185 billion to produce full employment for those who could work through federal investment in national infrastructure including building new housing, schools, hospitals and recreational areas. It also included expansion of a social safety net for those unable to work. Randolph believed that the nation's economic growth

alone was not sufficient to ensure that all Americans would benefit, especially those who were systemically unemployed and underemployed. He believed that the national government was responsible to redress poverty by opening wage-earning opportunities to these groups and once these groups become a part of the larger economy then expansion of the economy and tax receipts would provide economic resources to support ongoing programs.

The NAACP was a signatory to the Freedom Budget, and Executive Director Roy Wilkins said: “We will use every method possible to bring the proposal into reality” (cited in Johnson, 1966). The organization issued a statement that read:

The abolition of poverty, which afflicts more White persons than Negroes, is the goal of the Freedom Budget proposed by A. Philip Randolph. The National Association for the Advancement of Colored People endorses this proposal as the most comprehensive and far-reaching plan yet developed to spread prosperity throughout the national community. (Wilkins, 1966, p. 71)

However, with the exception of a memorandum to the 1969 US legislature from the Leadership Council on Civil Rights, of which the NAACP was a member, there appeared to be little concerted effort to promote the Freedom Budget nor its major components at the national or branch levels from 1966 through 1970, with the exception of advocating for a minimum wage increase. The Leadership Council on Civil Rights urged Congress to translate the Freedom Budget’s tenants into legislative terms by supplementing the Full Employment Act of 1946 and providing Congress with a national budget comprising needs, resources and priorities to address the eradication of poverty (Wilkins, 1968, pp. 71-72). A further review of archival data, including board minutes and the correspondence of Executive Director Roy Wilkins, uncovered little in the way of advocacy for the Freedom Budget after its initial endorsement.

Instead, the NAACP continued its voter registration, membership drives, and fundraising efforts. As noted by Fredrickson (1995), the NAACP focused “almost exclusively on the civil and political rights of Blacks, it paid little attention to their economic problems” (p. 112). In the political arena the organization had a duty to remain non-partisan as a tax-exempt organization. The national organization could not explicitly endorse a specific candidate or political party, but it was common for individual members to rally support for democratic candidates deemed most sympathetic with the organization’s mission. The organization could boast of helping to eliminate most barriers to voter participation including the Poll Tax and the White Primary. It also could take credit for adding two million voters to the rolls since passage of the Voting Rights Act of 1965.

However, during the tumultuous 1960s the organization met tremendous backlash from the Black masses who supported the Black Power Movement. Wilkins spent considerable time denouncing the use of the term “Black Power,” which had been coined by Stokely Carmichael. Wilkins disagreed with Black liberation tactics of Black capitalism, Black-controlled institutions, and the emphasis on racial consciousness. As an interracial organization, the NAACP vehemently opposed the notion of Black Nationalism and felt the term ‘Black Power’ meant “anti-White.” However, many local NAACP members “felt NAACP National leadership should attack the problems of economic discrimination in the ghetto as enthusiastically as they attack other Black youth and Black groups” (NAACP Papers, Palo Alto Branch Newsletter, Libby, 1969). One woman who resigned her 25-year membership in protest wrote: “The NAACP’s attack on

Black Studies Programs showed how [NAACP] National leadership was out of touch with Black aspirations” (NAACP Papers, Palo Alto Branch Newsletter, Libby, 1969).

A 1970 speech to labor officials by NAACP West Coast Regional Director Leonard Carter articulated the mindset of the NAACP with respect to Black capitalism and democracy. Carter said:

Black capitalism will not help the Black worker . . . the Black worker has an enormously significant political role to play. He must continually point out that the source funds for a genuine war on poverty lies in Washington and that liberal thinking men are to be elected to national office. Black people must vote. The kind of voter education and registration campaigns that Negro trade unions carried out in all of the major Americans cities in 1968 must be a model for similar political activity in the future. (Carter, 1970)

Here Carter was articulating the widely held views of the organization, which held that the focus should be on voter registration campaigns instead of economic emancipative notions like Black capitalism.

In another instance found in the archives, the NAACP Palo Alto branch president questioned the sincerity of NAACP National board member William Oliver who was appointed to investigate complaints by Black United Auto Workers (UAW) workers against union leadership. The workers alleged that the union discriminated against them because their grievances were not adequately investigated or taken seriously. According to the memo, Oliver was insulting, disruptive, and patronizing to Black UAW workers during his investigation. The NAACP showed its allegiance to organized labor leaders instead of workers and judged the local UAW not guilty of the charges against them. The Palo Alto branch president stressed his displeasure at the national office’s representation, which he said added to accusations of the groups’ partiality toward union bosses and lack of support for Black workers (NAACP Papers, Palo Alto Branch 1966-1969).

Nonetheless, the NAACP's long affiliation with organized labor is reflected in the organization's annual convention resolutions adopted during the period. In order to gauge the organization's major thrusts during this period, I tallied the organization's annual convention resolutions and placed them in major categories such as education, political action, economic development, civil rights, and labor/industry as shown in Table 4.

With respect to labor and industry, in 1967 a total of 19 resolutions were passed, some of which called for an end to racial discrimination in trade unions, specifically the AFL-CIO in the construction industry. In line with the Freedom Budget, two resolutions called for a massive public works program by the US government to support employment of Negroes, and an increase in the minimum wage to \$2. Other resolutions of note included mobilized support for expansion of Small Business Development Centers in minority communities. However, a resolution regarding business and industrial development by Negroes fell short of substance as it read:

Business is an integral part of the power structure of a community...as Negroes realize and exercise their power as consumers, they must not ignore their possible role as entrepreneurs—owners and controllers of business. One of the big obstacles to the organization and operation of business by Negroes is the ever-present distrust and lack of confidence, not solely the lack of capital as is often stated. (NAACP Papers, Annual Resolutions, 1967, p. 39)

This particular resolution was dropped from the 1968 convention, and in a search of the word *entrepreneur* for that year there were no results. However in 1969, the NAACP resolved to assist Negro entrepreneurs in organizing a new trade association for the building construction industry. Resolutions in 1970 continued with this theme regarding discrimination in the building construction industry, calling for branch offices to assist local labor unions in admitting Blacks into apprenticeships.

Table 4. NAACP Annual Convention Resolutions by Group.

NAACP Annual Convention Resolutions	1967	1968	1969	1970
Education	9	18	8	11
Political Action	9	5	1	2
Economic Dev.	1	8	3	6
Civil Rights		11	1	
Labor/Industry	19	18	8	7
Health/Welfare	3	4	0	2

Source: Compiled by the author from NAACP digital archives at ProQuest History Vault

Nevertheless, the NAACP's main focus affirmed the preeminence of political participation as a 1970 resolution read:

We recognize that the very lifeblood of the United States is determined by political action and we are cognizant of the fact that our membership must fully utilize its political potential. We therefore recommend to all branches of the association and state conferences that permanent Voter Registration and Voter Education committees be established with a three-pronged, year-round program: 1. Voter Registration 2. Voter Education 3. Voter Participation (NAACP Papers, National Convention, 1970)

As this resolution reflects, the focus of the NAACP was primarily to help Blacks use their political potential. Although the NAACP made efforts to address racial discrimination in unionization and certain job sectors including the buildings trade, "It has been a virtual given amongst NAACP leaders since World War II that the ballot box offered the most direct route to the realization of full freedom and dignity" (Jonas, 2005, p. 110). Thus, my

hypothesis that the NAACP concentrated more on political agency instead of on economic agency for marginalized groups was borne out in the archival research. Whether the ANC in South Africa had a similar outcome will be discussed in the next section.

Brief History of the African National Congress

The groundbreaking scholarship of James Campbell (1995) revealed the early links between South African Blacks and African Americans of the African Methodist Episcopal (AME) church, which helped in a roundabout way to facilitate the creation of the African National Congress (ANC). Campbell describes how Henry McNeal Turner, a bishop of the AME church who took SA by storm in 1898 during a preaching tour, came in contact with leaders of the South African Ethiopian Church movement, which agreed to come under the umbrella of the AME church in America. With that alliance, several Black South African students were given sponsored scholarships to attend college in the US. Those students attended Black colleges, including Wilberforce and Oberlin (both in Ohio), where they were exposed to preeminent African diaspora scholars including W. E. B. Dubois, Martin Delany, and William Scarborough (Campbell, 1985, p. 276). Being exposed to the prevailing Pan African Black Consciousness sentiments of that time, several of the students, including John Dube, the organization's first president, returned to South Africa as political elites and formed the first African nationalist political organization called South African Native National Congress (SANNC) in 1912. The SANNC was later renamed the ANC in 1923.

The SANNC was formed in part to fight a recently enacted Natives Land Act that relegated Blacks to native reserves called Bantustans and legally restricted Black ownership of South African land. This resulted in indigenous Africans holding only 10% of the landmass, while the remaining 90% of the land was controlled by the British colonial administration, Afrikaner farmers, and extractive industry capitalists. The Natives Land Act was one of the first acts that legally codified economic subjugation, long before the rise of the Afrikaner nationalist apartheid regime in 1950. However, the ANC's early efforts were thwarted by the colonial regime, and later the Afrikaner government continued to codify into law the apartheid system.

From its early inception, the ANC strived to be a multicultural, non-tribal national organization that included Blacks, Whites, Colored, and Indian-heritage South Africans. The ANC and Indian Congress groups "endorsed a common program of universal suffrage, equal economic opportunity, equal access to education, and an end to all legalized segregation and discrimination (Fredrickson, 1995, p. 240). Although the ANC was initially a non-violent protest organization that focused on tactics including "boycotts, [labor] strikes and civil disobedience" (Fredrickson, 1995, p. 242), it later changed tactics and formed a military wing called Umkhonto we Sizwe (MK) (also known as Spear of the Nation), which trained guerilla soldiers and led bombing campaigns against Afrikaner state structures. Several of its leaders were captured and imprisoned following the famous Rivonia trial in 1964 including Nelson Mandela, Walter Sisulu, and Ahmed Kathrada, who was from a South African Indian family.

Oliver Tambo, in exile in London for nearly 30 years, was president of the ANC from 1967 to 1991. He summed up the gist of the racial capitalism inherent in the apartheid system as follows:

Apartheid is a scheme, a device and a machinery for keeping a white minority in political and economic power in South Africa. It is also a machinery which serves the interests of international big business. It hinges on the colour of the skin and has the entire African population at the economic beck and call of this white minority which in turn, by holding the reigns of exploitation, becomes the agent of colonial and imperial interests. On the African continent, the concentration in South Africa of 31/2 million whites holding 15 million Africans in subjugation make that part of Africa a big prize for overseas investors (Tambo, 1968).

Early on, the ANC needed to gather allies to support this mission, and it fostered an alliance with the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU). This tri-partite alliance sought to ensure that economic emancipative issues would remain in the forefront of the struggle for liberation. The ANC and its close partner the SACP were committed to what came to be known as the two-stage strategy: first, win national liberation by means of a broad democratic alliance of all classes of oppressed people; only after this is achieved should questions of capitalism versus socialism come onto the agenda (Callinicos, O'Malley archives 1994-1999). They understood that the principal beneficiaries of SA's racial domination and political economy were a small cohort of monopoly capitalists who controlled most sectors of the economy, with just six companies accounting for almost 90% of all the shares on the Johannesburg Stock Exchange (O'Malley archives, Advance to National Democracy report, 1991).

The ANC became a banned terrorist organization, according to the apartheid state and its allies including the US and Great Britain. For its part, during the 1960s the US

was engaged in the Cold War with the Soviet Union, and opposed the ANC's alliance with the Communist party and the USSR, which supplied the ANC with financial and military assistance. In fact, the US State Department inadvertently failed to remove Nelson Mandela from its terrorist watch list even after he was released from prison and received a ticker tape parade through the streets of Manhattan in 1990. According to *Time Magazine*, Mandela's name was not removed from the terrorist watch list until 2008 (Waxman, 2018). Mandela symbolized new hope for democracy and economic equality in SA when he ran as the ANC candidate and won its first democratic election in 1994. Mandela announced that he would serve only one term as president. Thereafter, Thabo Mbeki, a trained economist who had been groomed in exile under Tambo's tutelage, was elected president of SA in 1999, although Cyril Ramaphosa was Mandela's first choice (Boraine, 2014, p. 4).

Once in power, the ANC party put forward its Reconstruction and Development Programme (RDP), which called for "meeting the needs of the impoverished majority . . . through a people centered, people driven developmental process" (Bond, 2014, p. 70). Critics charged that the policies were too conservative and did not include any initiatives that would make a major impact on poverty, such as nationalization of various mining industries or land-reform initiatives. In the ANC's defense, as nascent political leaders, they had to walk a tightrope between the aspirations of those disaffected by apartheid and White owners of business and capital in order to prevent massive capital flight and continue to attract foreign investment.

Some believed the ANC tipped too far in favor of business. In 2013, its longstanding alliance with labor unions in SA was challenged when the largest union, the

National Union of Metalworkers (more than 300,000 members) withdrew its support from the ANC and the SACP. The union leaders said the ANC had abandoned workers in favor of neoliberal policies. In particular, the union was disappointed with the handling of a wildcat strike in 2012, which resulted in 34 miners killed by police. Today's South African President Cyril Ramaphosa was at that time on the board of Lonmin Plc, a platinum mining company based in London and owner of the Marikana mine (Polgreen, 2012).

Today, the liberation movement turned political party is facing allegations of corruption and crony capitalism as a result of the tumultuous reign of Jacob Zuma as ANC leader and president from 2009 to 2018. His administration is accused of abetting state capture by economic elites including the Gupta brothers, a wealthy Indian family charged with bribery and influence peddling. It remains to be seen whether the ANC's Ramaphosa, purported to be one of the richest men in SA with strong business ties, can restore confidence and deliver on the aspirational promises of the ANC as it takes charge in the post-apartheid era. The archival data that follows reflects the organization's activities following the transition to democracy from 1995-2015.

ANC Archival Research

I reviewed various ANC memoranda, policy papers, and correspondence to ascertain the extent of the organization's efforts in the areas of economic empowerment once it came to power after the 1994 election of Nelson Mandela. The ANC archival data was accessed from three sources: (1) ANC Archives compiled and managed by Africa

Media Online on behalf of the ANC, (2) O'Malley Archives at Nelson Mandela.org, and (3) South African History Online Archives (SAHO).

The majority of information was sourced from the O'Malley archives, which are part of the Nelson Mandela Center of Memory, and include analysis, chronologies, historical documents, and interviews covering 20 years from the apartheid and post-apartheid era. For purposes of my review, the period of inquiry was 1995 to 2015. However, I also discuss the organization's 1955 Freedom Charter in order to provide context for the ANC's economic and political mandates and major components of its 1996 Constitution.

The Freedom Charter

The Freedom Charter was a document signed in 1955 between the ANC, the Indian Congress, and the Coloured People's Congress, and it outlined a pledge to fight for democracy, human rights, and economic participation of all South Africans. The document is notable because of its demand for and commitment to a non-racial South Africa, a tenet that remains part of the ANC platform. The Charter also called for democracy and human rights, land reform, labor rights, and nationalization of mineral resources (O'Malley archives, Freedom Charter, 1955).

When Mandela came to power in 1994, many of the Freedom Charter's proclamations were incorporated into the new South African Constitution. According to scholar Patrick Bond (2014), while still negotiating from prison,

Mandela insisted that the Freedom Charter demands for the nationalization of mines, banks and monopoly industries is the policy of the ANC, and a change or modification of our views in this regard is inconceivable. (p. 13)

However, as noted below, key economic demands were omitted from the constitution including nationalization of industries and redistribution of land.

The New South African Constitution

In 1994 an interim constitution was adopted, and the new government was given two years to draft and adopt a formal constitution for SA. A constitutional assembly comprising more than 40 individuals representing most of the country's vested interests was organized for the task. Two individuals stood out as drivers of the process: Cyril Ramaphosa of the ANC, who was chairman of the Assembly; and Roelf Meyer of the National Party (Afrikaner), a former minister of law and order and minister of defense during the apartheid era (O'Malley archives, Full House, Making of the Constitution, 1994-1999). These two men had previously engaged in long secret negotiations in the early 1990s leading up to the transition of power (du Toit, 2018).

After ratifying the new constitution on May 8, 1996,

National Assembly chairman, Cyril Ramaphosa stood in front of the media and said: This is the day when South African is truly born. Through this constitution we hope to transform our society from one that is based on injustice and strife to one based on justice and peace (O'Malley archives, Towards Democracy, 1996).

The constitution instituted a multi-party system of democratic government and universal adult suffrage where all citizens have equal rights, privileges and benefits of citizenship. The Constitution also included a bill of rights, the creation of a constitutional court and guidelines for governance in the executive presidency and in the municipal provinces.

With respect to economic policy, according to an ANC pamphlet issued in 1989, the stated aim was to:

1. Develop the economy and provide jobs for all work seekers
2. Redistribute wealth, income and opportunities in favour of the poor and the historically disadvantaged
3. Provide sound health, education and other services to all.
4. Create an environment in which homes are secure and place work are productive (ANC pamphlet, SAHO archives, 1989).

However, the constitution codified free enterprise and property rights thereby negating any future attempts at nationalizing enterprises. It also contained provisions for the general revenue fund, treasury federal reserve, and allocation of financial resources amongst municipalities. The constitution did not contain any redistributive remedies or creation of organizational bodies to redress the systemic economic and land ownership inequalities that resulted from past apartheid policies. Instead, outside of the constitution the government produced a strategy document called the Reconstruction and Development Program (RDP), which aimed to meet basic needs of the poor and build the country's economy as a whole.

The philosophy of the ANC at this early stage reflected its commitment to address systemic poverty:

No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government (Boraine, 2014, p. 139).

However, this social compact between the ANC, big business, labor unions, and community groups was ambitious on paper but proved difficult to implement. Lijphart

(1998) argues that this “elite pacting” between these disparate groups created a consociational democratic framework instead of a true majoritarian democracy. He argued that although the National Party exited the political coalition, and the ANC became the dominant political party, “power in the political system [was] counterbalanced by power in the economic system” (Lijphart, 1998, p. 148).

The redistributive goals of the RDP were circumvented by subsequent White Papers that addressed neoliberal economic policies in support of big business (Bond, 2014, p. 77). The RDP was replaced after two years by the Growth, Employment and Redistribution (Gear) plan, which purported to address lingering cleavages while making structural adjustments and economic growth targets the main impetus of economic policy.

Growth, Employment and Redistribution (Gear)

The Gear program was a macroeconomic strategy aimed primarily at overall GDP growth targets through monetary and fiscal policies (IMF driven) with limited direct redistribution to the poor. The belief was a strong and attractive SA economy would retain business and attract foreign capital investment, thereby increasing jobs and wages in the long run (O’Malley archives, Economy & Gear, 1994). Subsequent critics noted failure in its objectives: “Looking at the three-year period from 1996-98, virtually all of Gear’s targets were missed”; GDP fell, job losses rose, and large corporations (including Anglo-American Corporation) moved capital and stock market listings to London (Bond, 2014, p. 150-151).

The Gear plan limited the ANC’s capacity to redress the byproducts of racial capitalism. The many social ills of poverty, joblessness, inadequate housing, educational

gaps, and income inequality remain pernicious problems in the country, resulting in spikes in violent crime and despondency. The economic hegemony of the World Bank and International Monetary Fund (IMF), through their technocrats involved in drafting White Papers and other consultative work, effectively curtailed any major redistributive initiatives as the economic focus centered on GDP growth and repayment of IMF debt. It was successfully argued that due to the interdependence of the nation within the global economy and international capital's capacity to coordinate strategies, the ANC and labor had no option but to acquiesce and make concessions. At the time, the country's leaders had to grapple with macroeconomic shocks including a devalued Rand and a recession. One SA economist who disagreed with the plan but acquiesced, nonetheless said: "We are at the mercy of the international economy which we cannot take on alone" (Terreblanche, S., O'Malley archives 1996).

In fact, the "redistribution" label in the Gear plan was nothing more than "Orwellian" nomenclature that really meant privatization of state assets in accord with neoliberal economic policies that included tax cuts for the rich and higher consumption taxes on tobacco. In addition, "new tax incentives for new manufacturing investments were part of a broader set of supply-side measures aimed at promoting investment and stronger export competitiveness" (Bond, 2014, p. 63). In the end, these structural economic adjustments did little to enhance economic growth, but they did contribute to the rise in income inequality that occurred at the end of the apartheid regime.

Furthermore, the "elephant in the room"—the mining and mineral sector of the economy from which most of the racial capital accumulated in the country—was largely untouched by democratization and the ANC's rise to power. Anglo American

Corporation, DeBeers, and other multinational mining interests felt little change in their business practices. International capital was safe from confiscation. In exile, the ANC promoted nationalization of mines, but once they came to power and made consociational pacts, the ANC affirmed private mineral property rights and simply advocated for rudimentary improvements in human resources for mine workers including adult basic education.

Comparative Analysis of ANC and NAACP

At their core, both the ANC and the NAACP were organizations that advocated for universal suffrage. The idea that democracy would be the underpinning for further social and economic justice was the driving force for their respective mandates. Another commonality was their emphasis on multi-racial collaboration. Neither group wholeheartedly embraced Black Nationalism or Black Consciousness sentiment.

Structurally, however, the organizations were light years apart. The ANC was an underground protest group with a military wing that came to power as a political entity; the NAACP is a benign civil society organization that uses legislative and legal challenges to affect changes in the US on behalf of marginalized groups. The ANC, representing the majority, was interested in full citizenship rights and seizing power from the Afrikaner minority; the NAACP, assisting the Black minority in the US, was interested in helping them access rights and privileges already stated in the US Constitution.

Along the same lines, as it pertains to economic empowerment, the NAACP-endorsed Freedom Budget contained provisions similar to those of the ANC's Freedom

Charter, including the eradication of poverty, full employment, and a minimum standard of living. However, these economic empowerment aspirations proved illusive in many respects because of the limitations of democratic regimes to adequately affect structural changes in capitalist societies. SA's negotiated transition was a prime example of the types of tradeoffs that exist between democracy and capital when segmented factions like the ANC, labor, big business, and White nationalists come together to negotiate. Elite pacting and consociationalism become normative outcomes in democracies with deep social cleavages and powerful business interests.

In 1996 the new South African Constitution included aspirational values like human dignity, equality, and freedom, which were analogous to the US Constitution's "life, liberty and the pursuit of happiness." But for marginalized groups in these nations, a large gap persists between aspirations and achievement. Both nations have fallen short of achieving these goals due to their long histories of racism, racial capitalism, and oligarchic influence within their democratic polities. As such, democracy and income inequality continue to run parallel in these two countries.

Chapter VI

Synthesis and Policy Recommendations

We thought a bond was something you needed to get out of jail.

We had no idea a bond was something you could buy or sell.

Excerpt of poem by inner-city students, Tampa, Florida, ca. 2012

The above excerpt is from a poem presented to me after I taught a semester-long series on financial literacy to a group of inner-city students. The quote speaks volumes regarding the vast chasm between the “haves” and the “have nots” in the US and SA. Marginalized groups in these countries are familiar with the criminal justice system, but their members tend to be under-educated and have little knowledge about financial literacy and investment instruments that might help narrow the wealth gap. Although these individuals live in leading capitalist societies, the worlds of finance, capital, and economics remain largely unknown.

These conditions have historical antecedents. Extreme economic inequality and wealth gaps for marginalized groups in the US and SA are rooted in the historic phenomenon of racial capitalism and White supremacy. The inseparable interlock of racial domination and cheap Black labor aided the vast accumulation of capital by White mining industrialists in SA and plantation owners in the US South. This led to intergenerational poverty for Blacks and intergenerational wealth for Whites. Coercion, violence, and oppression against marginalized groups was met by social struggle and

advocacy efforts that succeeded in gaining voting enfranchisement, which added to the quality of liberal democracy in these countries. But as democracy and capitalism ran parallel in these two countries, extreme income inequality followed in lock step.

Likewise, the US and SA have generally maintained normal bilateral relations in support of international capital and geopolitical interests. During the apartheid era for example, the US chose economics over calls for democracy and social justice, only relenting after successful protests that called for economic sanctions, boycotts, and divestitures.

Summary of Findings

This thesis explored marginalized groups' level of satisfaction with the status quo, as well as any inherent risks to democratic consolidation as a result of democracy's failure to meet expectations. The research corroborated my hypothesis that advocacy efforts by the ANC and NAACP on behalf of the marginalized groups primarily consisted of efforts toward universal suffrage, while economic empowerment efforts followed at a distance second.

Efforts toward economic inclusion and extensive redistributive policies in SA after the end of the apartheid regime were thwarted by political and economic elites who felt constrained by global economic structures. The often-repeated refrain was that they did not want to "spook the markets."

In the US, the NAACP supported low-wage-earners' efforts to obtain a minimum wage and participate in unions. However, it saw its primary mandate as securing voting rights and equal access to education. The NAACP, along with other civil rights organizations, believed that access to voting and representation in the political culture

would eventually help ameliorate systemic poverty and income gaps through government sponsored policies and programs.

Democracy's promise continues to fuel hope in the US and SA. However, the risk of democratic deconsolidation is low at this time, in my opinion, based on my review of survey data as presented in Chapter IV. Democracy as a political regime will likely continue in both countries for the foreseeable future. The WVS and ISSP survey data reveals no major threat of mass upheaval. In fact, comparative scholar Marx notes that "Contrary to traditional class analysis, economic cleavages in themselves have rarely led to major conflict...conflicts have been aggravated by ethnic, race, religion, or other cleavages" (Marx, 1998, p. 277). However things could change if employment opportunities continue to shrink due to technology, artificial intelligence, and robotics, thus concentrating a glut of displaced workers into the ranks of the marginalized in both countries.

Even so, it appears that marginalized groups in the US and SA are resigned to the fact that democracy is "the only game in town," a phrase coined by Linz and Stepan (2006). These scholars assert that consolidated democracy exists when

no significant political groups seriously attempt to overthrow the democratic regime or secede from the state, . . . the overwhelming majority of the people believe that any further political change must emerge from within the parameters of the democratic formulas, and . . . all actors in the polity are habituated to the fact that political conflict will be resolved according to the established norms and that violations of these norms are likely to be both ineffective and costly. (p. 5)

However, there was evidence of state capture by economic elites in SA as described in the models presented by Acemoglu and Robinson (2008). Although the ANC had *de jure* power within the political culture, *de facto* power continued to reside

with the wealthy landed industrialists. This condition likely reflects the relatively low-level egalitarian democracy indices from the V-Dem data noted in Chapter IV.

Although the ISSP and the WVS survey responses revealed that participants were unhappy with the level of income inequality in their countries and expected their democratic regimes to address the disparities, it appears that participants also were satisfied that democracy was the best system. There appears to be a normalized acquiescence to the political and economic plight. This suggests that in countries with segmented societies and deep social and economic cleavages, egalitarian democracy is difficult to achieve. Instead, a consociational democracy emerges where elite pacts form alliances to maintain the status quo. Another possibility is the notion of capitulation, as marginalized groups face the fact that several courageous leaders who were strong advocates for major changes in the economic order in the past were silenced through assassinations: Martin Luther King, Jr. in the US, and Chris Hani and Steve Biko in SA.

Less-threatening economic policies were advanced in the US with the Freedom Budget introduced by A. Philip Randolph, and included anti-poverty demands like full employment, a living wage, adequate housing, healthcare, and education. In SA the ANC's economic platform called the Freedom Charter included demands similar to the Freedom Budget, but also included controversial demands like nationalization of mines, banks and monopoly industries, for which the ANC relented when they gained political power in 1994. Perhaps it is unfair to expect significant structural changes in SA's nascent democracy relative to the mature democracy in the US. Nonetheless, both in SA and US, the extreme income inequality experienced by marginalized groups continues to manifest social ills including systemic unemployment, a pathology of violence, drug

addiction, dissolution of family structures, despair, and hopelessness. As we await structural changes in the political economy of these countries, alleviation of some of these societal impacts could be tackled through policy changes. What follows are several policy recommendations that could help close the extreme economic inequality gaps in these democratic regimes.

Policy Recommendations

Deconstructing the systemic and structural effects of income inequality in the US and SA requires vision, courage, and political will. It also requires that economic elites (instead of governments) share the costs through redistributive measures. Several European scholars in the field of income inequality introduced a manifesto in 2018 to address democracy, income inequality, and climate change challenges in Europe. Their proposal calls for governments to impose heavy taxes on high personal incomes, corporate profits and inheritances (Piketty, 2018). I disagree with this approach. My sense is that raising taxes on businesses and household incomes would hamper economic growth. However, there are other redistributive measures that can be taken, as outlined below.

Tax Speculative Capital Markets Transactions

Instead of taxing high incomes, I recommend that taxes be levied on speculative capital markets transactions including equities, foreign exchange, derivatives, and commodities. Just as sales taxes are collected when we buy groceries from Walmart, transaction taxes can be captured on capital markets trades, with the proceeds collected

and redirected toward redistributive policy initiatives. These capital markets transactions are conducted amongst banks and other institutional investors on behalf of global economic elites—the type of economic elites that accrued significant capital from racial capitalist structures in the past, and who continue to capture democracies through their *de facto* power.

The taxes can be assessed on a basis point measure, captured through a global payment system like SWIFT, and transferred to a newly formed entity charged with addressing systemic poverty. This new entity could take the form of a sovereign wealth fund, which I coined the African Legacy Development Fund (ALDF). The development fund would assist marginalized groups with attaining economic empowerment through STEM education, financial literacy training, entrepreneurship, investment capital, capacity building grants, and start-up grants.

Extractive Industry Universal Dividends

In SA reforms in the extractive industry sectors should include annual cash payments to Black citizens of SA based on gross revenues achieved. This policy prescription is similar to what occurs in the State of Alaska where local citizens share in the largess of the oil industry's revenues from oil extractions in the state. The Alaska Permanent Fund “is a state-owned investment fund established using oil revenues. It has, since 1982, paid out an annual dividend to every man, woman, and child living in Alaska” (Matthews, 2018). Today the fund has \$55 billion in assets and pays out an annual dividend through a Permanent Fund Dividend that has ranged from \$800 to \$2,000. The annual dividend varies based on commodity prices and provides a means of

dispensing a universal cash payout for citizens of Alaska based on the oil extracted in the state. If a similar scheme were implemented in SA, the extraction of gold, diamonds, and other minerals can be shared through this type of egalitarian asset transfer mechanism to help meet the basic needs of the poorest citizens and help expand the economy, as the funds are likely to be used on consumer goods and services.

Reparative Philanthropy

Lastly, in both the US and SA, steps could be taken to encourage what political philosopher Chiara Cordelli calls “reparative philanthropy,” which supports the idea that public goods can be deployed through philanthropic foundations to address what she calls social failures such as political and economic inequality in democratic societies (Cordelli, 2013). The reparative component in philanthropy comes into play by acknowledging that harm has been done to a specific segment of society and that the philanthropy should be targeted and aimed at restoration (Reich et al., p. 259). Philanthropic foundations with extensive assets could fund grassroots efforts to counter-balance the impact of state capture by economic elites through use of political action committees and lobbyists. Reich suggests that foundations could be incentivized through taxation measures to tackle reparative justice issues as they donate monies to help remedy the worst off who are impacted by an unjust system (p. 261). Philanthropic programs could target marginalized groups for entrepreneurial training, financial literacy, business capital, and subcontracting with large multinational corporations. These measures can help close income gaps and provide an economic footing for future generations.

In SA specifically, philanthropic foundations and charities that gained wealth through extractive industries' historic confiscations and land seizures could spearhead land reform initiatives. This could enable them to pay market values to Whites who sell their land to the government for redistributive purposes.

Admittedly this and other policy recommendations noted above are brief proposals that require further unpacking, analysis, and study. Regardless, they can also provide a springboard for discussion and debate on efforts to remedy democracy and income inequality challenges in the US and SA.

Conclusion

As I write this thesis, hedge fund owner Ken Griffin recently made national news by displaying his conspicuous consumption when paying \$238 million for a penthouse apartment in New York City (Clarke, 2019). This is the highest price paid for a home in US history and it added to his portfolio of expensive homes around the world. Part of this hedge fund manager's wealth was the result of uneven tax policies that allow "carried interest" to be taxed at a low capital-gains rate. This is just one example of how the rich get richer through tax and other government policies that favor economic elites. The Koch brothers and Ken Griffin in the US, and the Gupta brothers in SA, are emblematic economic elites whose vast wealth facilitates state capture of democratic polities and result in *de facto* oligarchic political structures instead of true egalitarian democracy.

This phenomenon is not new; it has played out in human history. Ariel and Will Durant, who penned the concise opus *The Lessons of History* (1968), wrote this about ancient Greece's democracy: "The middle classes, as well as the rich, began to distrust

democracy as empowered envy, and the poor distrust it as a sham equality of votes nullified by a gaping inequality of wealth (p. 75).” As my research has shown, some of these sentiments are shared in modern liberal democracies like the US and SA.

To salvage democracy in these countries and avoid a nominal democratic veneer, more must be done to level the playing field in economics and the political realm. In the past, marginalized groups in these two countries were exploited for their cheap labor. Their rights to participate in democratic governance were earned after well-fought battles. The next battle is one of economic justice and egalitarian democracy. It behooves governments and other stakeholders to remedy past injustices and the legacy of discrimination by instituting some of the policy recommendations noted in this thesis, and by summoning the resolve to close the gaping income and wealth gaps through direct action.

Bibliography

- Acemoglu, D., Naidu, S., Restrepo, P., & Robinson, J. A. (2015). Democracy, redistribution, and inequality. In A. Atkinson & F. Bourguignon (Eds.), *Handbook of income distribution*. Chapter 21. Amsterdam: Elsevier Science. Also available from: <http://ssrn.com/abstract=2367088>.
- Acemoglu, D. & Robinson, J. (2008). Persistence of power, elites and institutions. *American Economic Review*, 98, 267-291.
- Alesina, A. & Glaeser, E. (2004). *Fighting poverty in the US and Europe: A world of difference*. Oxford: Oxford Scholarship Online. <http://dx.doi.org.ezp-prod1.hul.harvard.edu/10.1093/0199267669.001.0001>.
- American Political Science Association Task Force. (2004). American democracy in an age of rising inequality. *Perspectives on Politics*, 2(4), 651-666. doi:10.1017/S153759270404040X.
- ANC pamphlet (1989). Constitutional guidelines for a democratic South Africa retrieved from SAHO archives at <https://www.sahistory.org.za/archive/constitutional-guidelines-for-a-democratic-south-africa>
- Angloamerican.com. (2017). Anglo-American year end financial report 31 December 2017. Consolidated income statement, p. 29. <https://www.angloamerican.com/~media/Files/A/Anglo-American-PLC-V2/press-release/releases/2018pr/preliminary-results-2017.pdf>.
- Baker, P. (1989). *The United States and South Africa: The Reagan years*. New York: Ford Foundation.
- Baptist, E. (2014). *The half has never been told: Slavery and the making of American capitalism*. New York: Basic.
- Bartels, L. M. (2008). *Unequal democracy: The political economy of the New Gilded Age*. New York: Princeton University Press.
- Beckert, S. & Rockman, S. (Eds.). (2016). *Slavery's capitalism: A new history of America's economic development*. Philadelphia: University of Pennsylvania Press.

- Bennett, S. (2006). Comment on “American democracy in the age of rising inequality.” *Political Science & Politics*, 39(1), 51.
- Biko, S. (1978). *I write what I like*. London: Bowerdean Books.
- Boix, C. (2008). Economic roots of civil wars and revolutions in the contemporary world. *World Politics*, 60(3), 390-437.
- Blackdemographics.com. (2019). Black-owned businesses. <http://blackdemographics.com/economics/black-owned-businesses/>.
- Bond, P. (2014). *Elite transitions: From apartheid to neoliberalism in South Africa*. London: Pluto Press.
- Boraine, A. (2014). *What’s gone wrong?: South Africa on the brink of failed statehood*. New York: New York University Press.
- Callahan, D (2013). How the GI bill left out African Americans. <https://www.demos.org/blog/11/11/13/how-gi-bill-left-out-african-americans>
- Callinicos, A. (1994-1999). South Africa after apartheid. O’Malley Archives. Retrieved <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv02167/04lv02175/05lv02183.htm>
- Campbell, D. (1986). U.S. firms and black labor in South Africa: Creating a structure for change. *Journal of Labor Research*, VII (1).
- Campbell, J. (1995) *Songs of Zion: The African Methodist Episcopal Church in the United States and South Africa*. Oxford: Oxford University Press.
- Carter, L. (1970). Speech to labor officials, August 22. Papers of the NAACP. Part 30: General Office Files, 1966-1972, Series A: Folder 009060-022-0062. Subject Files Roy Wilkins memoranda. Retrieved from ProQuest History Vault NAACP https://hv-proquest-com.ezp-prod1.hul.harvard.edu/pdfs/009060/009060_022_0062/009060_022_0062_From_1_to_168.pdf.
- Cell, J. W. (1982). *The highest stage of white supremacy: The origins of segregation in South Africa and the American South*. London: Cambridge University Press.
- Chetty, R. et al. (2018). Race and economic opportunity in the United States: An intergenerational perspective. *National Bureau of Economic Research*, Working Paper 24441. Retrieved from <http://www.nber.org/papers/w24441>.
- Childtrends.org. (2019). Children in poverty. <https://www.childtrends.org/indicators/children-in-poverty>.

- Clarke, K. (2019). Billionaire Ken Griffin buys America's most expensive home for \$238 million. *Wall Street Journal*, 23 January. <https://www.wsj.com/articles/billionaire-ken-griffin-buys-americas-most-expensive-home-for-238-million-11548271301>.
- Cordelli, C. (2013). Stanford University ethics in society panel discussion on democracy and philanthropy. Youtube video: <https://www.youtube.com/watch?v=iJjRZTegclM>.
- Diamond, J. (1999). *Guns, germs, and steel: The fates of human societies*. New York: W.W. Norton.
- Dubois, W. E. B. (1903). *The souls of black folks*. E-book version, Gutenberg Library, <http://www.Gutenberg.org>.
- Durant, A., & Durant, W. (1968). *The lessons of history: The story of civilization*. Volume 1. New York: Simon & Schuster.
- Du Toit, P. (2018). The Cyril and Roelf show set for second act at major land summit. *Huffington Post, ZA edition* March 24, 2018. Retrieved from https://www.huffingtonpost.co.za/2018/03/24/the-cyril-and-roelf-show-set-for-second-act-at-major-land-summit_a_23394176/
- Foa, R. & Mounk, Y. (2017). The signs of deconsolidation. *Journal of Democracy*, 28(1), 5-15.
- Forgacs, D. (Ed.). (2000). *The Antonio Gramsci reader: Selected writings 1916-1935*. New York: New York University Press.
- Fredrickson, G. (2001). "Race and racism in historical perspective: Comparing the United States, South Africa and Brazil." In C. V. Hamilton et al. (Eds.), *Beyond racism: Race and inequality in Brazil, South Africa, and the United States*. Chapter 1. Boulder, CO: Lynne Rienner Publishing.
- Fredrickson, G. (1995). *Black liberation: A comparative history of black ideologies in the United States and South Africa*. Oxford: Oxford University Press
- Fredrickson, G. (1981). *White supremacy: A comparative study in American and South African history*. Oxford: Oxford University Press.
- Gesis Institute for the Social Sciences. <https://www.geis.org/en/institute/>.
- Gilens, M. (2012). *Affluence and influence : economic inequality and political power in America*. Princeton, NJ: Princeton University Press.

- Gilens, M., & Page, B. (2014). Testing theories of elites, interest groups, and average citizens. *Perspectives on Politics*, 12(3), 564-581.
- Gini Index. Investopedia.com website. <https://www.investopedia.com/terms/g/gini-index.asp>.
- Goldin, C., & Katz, L. (2010). *The race between education and technology*. Cambridge, MA: Harvard University Press.
- Haggard S., & Kaufman, R. (2012). Inequality and regime change: Democratic transitions and the stability of democratic rule. *American Political Science Review*, 106.
- Haller, M. et al. (2016). Ethnic stratification and patterns of income inequality around the world. *Social Indicators Research*, 128(3), 1047-1084.
- Hamilton, C. V., Huntley, L., Alexander, N., Guimaraes, A. S. A., James, W. (Eds.). (2001). *Beyond Racism: Race and Inequality in Brazil, South Africa, and the United States*. Boulder, CO: Lynne Rienner Publishing.
- Hamilton, M., & Hirszowicz, M. (1993). *Class and inequality: Comparative perspectives*. New York: Harvester Wheatsheaf.
- Hanks, A. et al. (2018). Systematic inequality: How America's structural racism helped create the black/white wealth gap. Center for American Progress. <https://www.americanprogress.org/issues/race/reports/2018/02/21/447051/systematic-inequality/>.
- Holmes, J. (2018). Income inequality has reached an insane level, just in time for Davos. *Esquire*, 23 June. <https://www.esquire.com/news-politics/a15854336/income-inequality-2018-davos>.
- Hostetter, D. (2006). *Movement matters: American anti-apartheid activism and the rise of multicultural politics*. New York: Routledge.
- Houle, C. (2009). Inequality and democracy: Why inequality harms consolidation but does not affect democratization. *World Politics*, 61(4), 589-622. doi:10.1017/S0043887109990074
- Huber, E. & Stephens, J. (2014). Income inequality and redistribution in postindustrial democracies: demographic, economic and political determinants. *Socio-Economic Review*, 12, 245-267.
- Hughes, L. (1962). *Fight for freedom: Story of the NAACP*. New York: Norton.

- Huntington, S. (1991). *This third wave: Democratization in the late 20th century*. Norman: University of Oklahoma Press.
- Hurlbut, W. (2018). Overcoming poverty and inequality in South Africa: An assessment of drivers, constraints, and opportunities. World Bank.
[http://documents.worldbank.org/curated/en/530481521735906534/pdf/124521-REV-OUO-South-Africa-Poverty-and-Inequality-Assessment-Report-2018-FINAL-WEB.pdf](http://documents.worldbank.org/curated/en/530481521735906534/pdf/124521REV-OUO-South-Africa-Poverty-and-Inequality-Assessment-Report-2018-FINAL-WEB.pdf).
- Inglehart, R., et al. (Eds.) (2014). World Values Survey (WVS): Round Six—Country-Pooled Datafile. <http://www.worldvaluessurvey.org/WVSDocumentationWV6.jsp>. Madrid: JD Systems Institute.
- Irogbe, K. (1997). *The roots of United States foreign policy toward apartheid South Africa, 1969-1985*. Lewiston, ME: Edwin Mellen Press.
- ISSP Research Group. (2017). International Social Survey Programme: Social Inequality IV - ISSP 2009. Cologne: GESIS Data Archive. ZA5400 Data file Version 4.0.0, doi:10.4232/1.12777.
- Johnson, T. (1966, October 27). Clipping from unidentified Middletown, CT newspaper. Papers of the NAACP. Part 29: Special Subject Files, 1966-1970, Series B: Folder 009057-014-0901. Retrieved online from ProQuest History Vault NAACP Collection <https://hv-proquest-com.ezp-prod1.hul.harvard.edu/historyvault/>
- Jonas, G. (2005). *Freedom's sword: The NAACP and the struggle against racism in America, 1909-1969*. New York: Routledge.
- Kenton, Will. (2019.) Gini Index. 6 February. <https://www.investopedia.com/terms/g/gini-index.asp>.
- King, M. L. (1968). *Where Do We Go From Here: Chaos or Community*. Boston: Beacon Press.
- Knutsen, C. (2015). Reinvestigating the reciprocal relationship between democracy and income inequality. *Review of Economics and Institutions*, 6(2), 37.
<http://dx.doi.org/10.5202/rei.v6i2.173>.
- Kuznets, S. (1955). Economic growth and income inequality. *American Economic Review*, 45(1), 1-28.
- Kweli, Talib. (2004). "The Beautiful Struggle." Studio Album #2. Rawkus Records and Geffen Records.

- Leibbrandt, M. et al. (2010). Trends in South African income distribution and poverty since the fall of apartheid. *OECD Social, Employment and Migration Working Paper*, No. 101. OECD. <http://dx.doi.org/10.1787/5kmms0t7p1ms-en>.
- Levine, M. (2009). *Social issues in American history series: African Americans and civil rights from 1619 to the present*. Santa Barbara: Greenwood.
- Levy, F. & Temin, P. (2007). Inequality and institutions in 20th century America. National Bureau of Economic Research. Working Paper 13106. <http://www.nber.org/papers/w13106>.
- Lijphart, A. (1998). South African democracy: Majoritarian or consociational? *Democratization*, 5(4), 144-150.
- Linz, J. & Stepan, A. (1996). *Problems of democratic transition and consolidation*. Baltimore: Johns Hopkins University Press.
- Linz, J. J. & Stepan, A. C. (1996). Toward consolidated democracies. *Journal of Democracy* 7(2), 14-33. Johns Hopkins University Press.
- Lipset, S. (1959). Some social requisites of democracy: Economic development and political legitimacy. *American Political Science Review*, 53(1), 69-105.
- MacLean, N. (2017). *Democracy in chains: Deep history of the radical right's stealth plan for America*. New York: Penguin Books.
- Manduca, R. (2018). Income inequality and the persistence of racial economic disparities. *Sociological Science*, March, 182-205.
- Marable, M. (1983). *How capitalism underdeveloped black America: Problems in race, political economy, and society*. Chicago: Haymarket Books.
- Marx, A. (1998). *Making race and nation: A comparison of the United States, South Africa and Brazil*. Cambridge: Cambridge University Press.
- Matthews, D. (2018). The amazing true socialist miracle of the Alaska permanent fund. *Vox*, February 13. <https://www.vox.com/policy-and-politics/2018/2/13/16997188/alaska-basic-income-permanent-fund-oil-revenue-study>.
- Meltzer, A. M. & Richard, S. R. (1981). A rational theory of the size of government. *Journal of Political Economy*, 89, 914-927.
- NAACP Papers (1966-1969). Palo Alto branch president discusses UAW workers. Papers of the NAACP, Part 29: Branch Department, Series C: Branch Newsletters and Regional Field office files, 1966-1971. Folder 010623-001-012. Retrieved from <https://hv-proquest-com.ezp-prod1.hul.harvard.edu/historyvault/docview.jsp?>

NAACP Papers (1967). Resolutions of the annual convention, 1967. Folder: 009052-005-0515, Date Jan 01-1967 –Dec 31, 1967. Found in: Papers of the NAACP, Part 01: Supplement, 1966-1970. Retrieved from <https://hv-proquest-com.ezp-prod1.hul.harvard.edu/historyvault/docview.jsp?folderId=009052-005-0515&q=fulltext%3ANAACP%201967%20Resolution&position=9&numResults=10&numTotalResults=4167>

NAACP Papers (1969). Palo Alto branch newsletter, edited by Jean Libby, Papers of the NAACP, Part 29: Branch Department, Series C: Branch Newsletters and Regional Field Office Files, 1966-1971. Folder 010623-001-0121, California, “P”; Palo Alto-Stanford branch, 1966-1969. Retrieved from <https://hv-proquest-com.ezp-prod1.hul.harvard.edu/historyvault/docview.jsp?>

NAACP Papers (1970). NAACP annual convention 1970 resolution. Found in: Papers of the NAACP, Part 01: Supplement 1966-1970. Folder: 009052-012-0063 Date: Jan 01, 1970-Dec 31, 1970. Retrieved from <https://hv-proquest-com.ezp-prod1.hul.harvard.edu/historyvault/docview.jsp?folderId=009052-012-0063&q=fulltext%3ANAACP%20Annual%20Convention%20resolutions%201970&position=1&numResults=10&numTotalResults=1891>

Nash, A. (2009). *The dialectical tradition in South Africa*. New York: Routledge.

O’Malley Archives (1955). The freedom charter 26 june 1955. Retrieved from <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv01538/04lv01600/05lv01611/06lv01612.htm>

O’Malley Archives (1991). Advance to national democracy: Guidelines on strategy and tactics of the ANC (point #18). Retrieved from <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv02039/04lv02103/05lv02109/06lv02112.htm>

O’Malley Archives (1994). The economy and gear. Retrieved from <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv03445/04lv04206/05lv04217/06lv04218.htm>

O’Malley archives, (1994-1999) Full house: Making of the constitution. Retrieved from <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv02167/04lv02184/05lv02185/06lv02186.htm>

O’Malley Archives (1996). Towards democracy 1996. Retrieved from <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv02167/04lv02175/05lv02179.htm>

Piketty, T. (2014). *Capital in the twenty-first century*. Cambridge, MA: Harvard University Press.

- Piketty, T. (2018). Our manifesto to save Europe from itself. *Guardian*, 9 December. <https://www.theguardian.com/commentisfree/2018/dec/09/manifesto-divided-europe-inequality-europeans>.
- Polgreen, L. (2012). Mine strike mayhem stuns South Africa as police open fire. *New York Times*, 16 August. <https://www.nytimes.com/2012/08/17/world/africa/south-african-police-fire-on-striking-miners.html?module=inline>.
- ProQuest.org. <https://proquest.libguides.com/historyvault/NAACP>
- Przeworski, A. (2009). The mechanics of regime instability in Latin America. *Journal of Politics in Latin America*, 1, pp. 5-36.
- Randolph, A. P. (1966). Freedom budget for all Americans. Poverty and Race Research Action Council website. <https://www.prrac.org/pdf/FreedomBudget.pdf>.
- Reich, R., Cordelli, C., Bernholtz, L. (Eds.). (2016). *Philanthropy in democratic societies: History, institutions, values*. Chicago: University of Chicago Press.
- Sigman, R. & Lindberg, S. (2015). The index of egalitarian democracy and its components. Varieties of Democracy Institute. Working Paper 2015:22. https://www.v-dem.net/media/filer_public/61/75/6175f0f1-59fc-406d-bc07-b6ab2f88be7b/v-dem_working_paper_2015_22.pdf.
- Statista.com. (2019). Percentage of black families in the U.S. who live below the poverty level: 1990 to 2017. <https://www.statista.com/statistics/205059/percentage-of-poor-black-families--in-the-us/>.
- Steenakamp, C. (2017). Democratic political community in South Africa. *Taiwan Journal of Democracy*, 13(1), 59-76.
- Stiglitz, J. (2013). *The price of inequality: How today's divided society endangers our future*. New York: W.W. North.
- Tambo, O. (1968). Oliver Tambo answers questions from Sechaba April 1, 1968. South Africa History Online Archives (SAHO). Retrieved from <https://www.sahistory.org.za/archive/oliver-tambo-southern-africa-south-africa-and-anc-replies-questions-sechaba-01-april-1968>
- Terreblanche, S. (1996). Towards democracy 1996. O'Malley archives. Retrieved at <https://omalley.nelsonmandela.org/omalley/index.php/site/q/03lv02167/04lv02175/05lv02179.htm>
- United States State Department. (2018). U.S. relations with South Africa. Bureau of African Affairs Fact Sheet, 21 December. <https://www.state.gov/r/pa/ei/bgn/2898.htm>.

- Urban.org. (2019). Racial and ethnic disparities persist. Chart data retrieved from: <http://apps.urban.org/features/wealth-inequality-charts/>.
- Van den Berghe, P. (1967). *Race and Racism*. New York: Wiley.
- Van Onselen, C. (1982). *Studies in the social and economic history of the Witwatersrand, 1886-1914*. Johannesburg: Ravan Press.
- V-Dem.net. (2018). Headquarters, University of Gothenburg, Sweden. <https://www.v-dem.net/en/about/>.
- V-Dem Codebook. (2019). Codebook v8. <https://www.v-dem.net/en/data/data-version-8/>.
- Verney, K. & Sartain, L. (Eds.). (2009). *Long is the way and hard: One hundred years of the National Association for the Advancement of Colored People*. Fayetteville: University of Arkansas Press.
- Von Fintel, M. & Ott, G. (2017). Political culture and participation in South Africa. *Taiwan Journal of Democracy*, 13(1), 77-99.
- Waxman, O. (2018). The U.S. government had Nelson Mandela on terrorist watch lists until 2008. Here's why. *Time Magazine*. <http://time.com/5338569/nelson-mandela-terror-list/>.
- Wilkins, R. (1966). Freedom Budget. Papers of the NAACP. Date: Jan 01-1966 – December 31, 1966. Found in: Papers of the NAACP, Part 28: Special Subject Files, 1966-1970, Series B: Folder: 009057-014-0901. Retrieved online from ProQuest History Vault NAACP Collection <https://hv-proquest-com.ezp-prod1.hul.harvard.edu/historyvault/>.
- Wilkins, R. (1968). Leadership Conference on Civil Rights and NAACP Correspondence. Papers of the NAACP. Part 28: Special Subject Files, 1966-1970, Series A: Folder 009056-024-0785. Retrieved online from ProQuest History Vault NAACP Collection <https://hv-proquest-com.ezp-prod1.hul.harvard.edu/historyvault/>.
- Wilson, F. (2011). Historical roots of inequality in South Africa. *Economic History of Developing Regions*, 23(1), 1-15.
- Winters, J. & Page, B. (2009). Oligarchy in the United States? *Perspectives Political*. 7(4), 731-751.
- World Inequality Database (WID). Wid.org data for charts retrieved from <https://wid.world/data/>

York, J. (2017). Does rising income inequality threaten democracy? Heritage Foundation. 30 June. <https://www.heritage.org/poverty-and-inequality/report/does-rising-income-inequality-threaten-democracy>.