

On ethics, inequality, public corruption and the middle class

The case of South Africa

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ABSTRACT

The article deals with ethics, inequality and the role of the middle class, especially its white collar component. The article uses empirical realities in South Africa to illustrate the relationships between these items. The article begins with a brief exploration of the conceptualisation of ethics and the empirical manifestations of a public sociology of ethics based on an analysis of the concrete details of social practice evident in the actions of individuals, groups, social and state entities and society at large. Next, levels of inequality and their manifestations in South Africa are outlined. The success of various governments, social and financial interventions to alleviate poverty are considered as the country's large gaps of inequality have not narrowed much.

The discussion of the concept of a middle class, with special reference to the white collar section, is followed by an overview of recent empirical research findings which suggest that there are high levels of corruption in this stratum in South Africa. It is shown that this stratum is now characterised by a loss of ethical standards and the compelling need for individuals to satisfy their own personal financial and material interests. It is concluded that the results of such behaviour at all levels of society must have serious consequences for South Africa, and will, in many ways, perpetrate inequality.

INTRODUCTION

The literature on corruption in South Africa is limited compared with what has been produced internationally. However, the volume and quality of research has advanced significantly in the last few years. This progress is a response to the wide acknowledgement of unacceptably high levels of corruption in the country, which is lamented by politicians,



public administrators and the private sector at large. The article addresses one of the most neglected issues in this literature, namely: the role of the middle class, especially the *white collar* level. As most aspects of corruption in the public sector and their dynamics and varieties have already been dealt with extensively (Mantzaris 2014a; Mantzaris 2014b), the present article focuses on the private sector. This article uses empirical data to discuss the relationship between ethics, corruption and the perpetuation of inequality in the country.

ON ETHICS – FROM THEORY TO PRACTICE

Since the time of Aristotle (around 330 BCE) to the present epoch, with its rampant globalisation, wars, mayhem, fanaticism, greed, corruption and natural disasters, ethics have been rooted, both philosophically and empirically on social interaction and relationships. When Aristotle wrote “that ethics is the science that studies the supreme Good for men and is rooted in politics” (Aristotle [ca 330 BCE] 1976:63-64; MacIntyre 1966:57, 1985:122,135,148), he was expressing a *universal truth*, and one that applied in the context of a particular historical era.

Hobbes started a new trend in the discussion of the polity, bypassing ancient Greek ethics, introducing the much-debated notion of the centrality of individualism and *individual self-preservation* that had begun to emerge in the works of Luther and Machiavelli more than a century before Hobbes (MacIntyre 1966:122). Hobbes argued that the desire for self-preservation in an individual always operates in any society, and this desire is related to material scarcity that forces humans to enter into conflict with each other over material resources, resulting in a *war of all against all*. In such a historical context, the need for self-preservation determines the meaning of *good* and *bad* (Hobbes [1651] 1998: Chapter 13).

Immanuel Kant’s Enlightenment theory, posits the principle that morality and ethics are based on a human desire to supersede natural competitiveness, and this desire acts as a check on humans’ selfish nature, which leads to corrupt activities. Kant believed that humans are obligated by the laws of ethics to follow the *categorical imperative* that obligated human beings to be moral. Kant’s theory and beliefs on ethics operate at a higher level of abstraction and point to the abstract nature of his morality, based on the perspective of pure *reason* (Adler 1978:63).

Such idealist notions of ethics were *turned on their head* by Hegel, who compared the Kantian and Aristotelian notions of ethics and morality. He concluded that human nature is suited to some modes of life, but not all (Woods 1990:17-32). Thus, while he accepted the Aristotelian dictum that self-realisation was one of the goals of human life he believed that the end of life was freedom (Woods 1990:33). He disagreed with Kant because Hegel argued that to act freely was to act in accordance with necessity (Hegel 1956:26). This would ultimately lead to a *living social whole* (Lukács [1938] 1975:153).

In the history of humanity, the ultimate conclusion is that no human is born immoral or corrupt. One can argue even today that most theories of ethics and morality have their own significance, and that they do not rely only on human history, which abounds with moral, social economic and hence political ideas. In the final analysis, it is the complicated sum of human actions that determine the course of history. Humans, unlike machines, have desires,

needs, and wants that need fulfilment. On many if not most occasions, idealism turns into materialism in the sphere of ideas, which in the process are transformed into attitudes, behaviour and action.

The eternal question whether an individual can operate outside the dictates of a given society, outside the family, the state, the economy, authority and patronage, and market forces, exists only in those minds that see 'private interests' as lying outside the realm of existing social and power relations. Corruption is rooted in selfish economic interests determined by the conditions rooted in particular societies.

It is in this context that ethics, morality and corruption can be examined in relation to the South African middle class and its widely criticised propensity for greed. Such an examination may contribute to a more adequate understanding of the relationship between theory, research and practice, as advocated by a public sociology of ethics (Pillay 2014). The approach is rooted in the abstract generalisations of theory, but transforms them into empirical realities through the combination of existing theoretical assertions and research, underpinned by an exploration of inter-disciplinary relationships of the social sciences that co-exist in the intellectual terrain of critical engagement with policy and practice. Such an undertaking can open up new paths for further analysis that could be instrumental in the fight against corruption (Haimes 2002).

The *sine qua non* of such an analysis are three key features of the actions that humans undertake, are determined by their social and historical context and their relations with society and its groups, institutions and functions (Nussbaum 1990; Williams 2006).

This assumption points to the reality that actions that are accountable or that are not accountable are both based on social interaction and relationships that lead to circumstances determining human conduct and the ethics that direct it. Hence, an analysis and scrutiny of *situational ethics* and power relationships can ultimately lead to some understanding of corruption, thus paving the way to finding the most appropriate weapon in the fight against it. Flyvbjerg (2001:111) posited that ethics can only be thoroughly comprehended by means of an appropriate understanding and analysis of the social, historical and organisational context directly connected to the societal environment within which human relationships exist and develop.

Thus, the dissection and analysis of concrete human, social and organisational relationships guide both researchers and practitioners toward an understanding of ethics and morality in all spheres of society in South Africa and globally. The analysis focuses on the importance of details and practice, before a particular discourse shapes the studying of cases and contexts, by asking *how*, sociology of ethics is shaped by societal foci in an ever-changing environment of human group and institutional relationships within specific contexts (Flyvbjerg 2001 cited in Pillay 2014). As Pillay (2014) argues, the study and interpretations of the relationship between the individual and the collective in society and in an organisational setting ultimately lead to a deeper understanding of how humans visualise the difference between right and wrong and act accordingly within a given social environment.

It is through such initiatives that the importance of the *concrete details of social practice* is unveiled. In this context, the ever-growing concern about the causes and effects of corruption and the erosion of ethics are directly related to the particularities of specific human conduct (Garfinkel 2002; Rawls 2001, 2002:20-21).



Inequality in South Africa – The basics

Several years have passed since the former President of South Africa delivered his 1998 State of the Nation speech, declaring that South Africa consisted of *two nations*, one white, one black. He claimed that the *white* nation is relatively prosperous, irrespective of gender or geographic dispersal. It has ready access to developed economic, physical, education, communication and other infrastructure. The second and larger nation of South Africa is *black* and poor, with the worst affected being women in the rural areas, the black rural population in general and the disabled. The black and poor, he said, “have virtually no possibility to exercise what in reality amounts to a theoretical right to equal opportunity” (Mbeki 1998).

It is true that poverty has decreased slightly since then, but income inequality has not declined. Access to sanitation, electricity, gross school enrolment rates and immunisation coverage have increased, as will be shown, but economic growth has stagnated considerably thus enlarging class inequalities. The World Bank statistics revealed that (World Bank 2012) South Africa’s Gini coefficient was around 0.70 in 2008, and its consumption Gini coefficient was 0.63 in 2011 (World Bank 2012). This means that South Africa is one of the most unequal societies in the world.

The social (*racial*) underpinnings of inequality in South Africa are evident at all levels of society, as “Africans (almost 80% of the population) earn only 44% of the income and expend only 41% of the total expenditure, while Whites, who account for 9% of the population, earn 40.3% of the income and expend 40.9% of the total expenditure” (Woolard, Leibbrandt & McEwen 2009).

The rising levels of unemployment amongst all social groups, especially the African population, led to an increase in inequality. Unemployment in South Africa stood at 25,2% (33,0% including *discouraged* workers) (World Bank 2012), which increased to 25,50% in the second quarter of 2014 from 25,0% in the first quarter of 2014 as reported by Statistics South Africa. The unemployment rate in South Africa averaged 25,27% from 2000 to 2014, reaching an all-time high of 31,20% in the first quarter of 2003, and a record low of 21,50% in the fourth quarter of 2008 (cited in Trading Economics 2014).

South Africa is faced with these realities despite the democratic government undertaking a series of policy measures such as equity measures aimed at rectifying the legacies of the apartheid past epitomised by the Broad-Based Black Economic Empowerment (BBBEE), reforms in terms of land redistribution the land reform strategy, but above all, the implementation of social grants.

Social grants have strong positive effects on the lives of the poorest and most vulnerable social groups. Not only has the share of social grants expenditure in the Gross Domestic Product (GDP) increased significantly, but the number of social grant recipients has also increased dramatically. According to Bhorat and Van der Westhuizen (2011), by April 2009, 13,4 million people were benefiting from social grants. Of these, 2,3 million were receiving old age pensions, 1,4 million disability grants, and 9,1 million children were benefiting from child support grants. For the *poorest of the poor* social grants serve as the main source of income. An important aspect of post-apartheid fiscal expenditure patterns has, therefore, been a widening and deepening of South Africa’s social security system (over 16,7 million recipients).

Over the past decade the number of social-grant beneficiaries has doubled from 7,9 million in 2003/04 to 16,7 million in 2013/14. This was “largely due to the expansion of the child support grant. About 11 million people received child support grants in 2013/14, 2,9 million received old age grants, 1,1 million received disability grants and 519 000 received foster care grants” (Fin24 2014:1).

Infrastructure initiatives such as the Expanded Public Works Programme (EPWP) in 2004 and the EPWP Phase 2 in 2009 have also made a positive difference to millions of South Africans. The majority of the unemployed beneficiaries are unskilled, and benefit in many ways not only through the provision of additional income but also intensive training initiatives.

Despite the fact that major steps have been taken in South Africa since 1994 in respect of the provision of essential services, the latest statistics still reveal challenges that underpin the high levels of inequality. The latest Statistics South Africa’s *General Household Survey* (GHS) (Statistics South Africa 2014) makes interesting reading.

Although the number and percentage of households with access to piped water has increased steadily over the last decade, the survey revealed that the quality of water services has decreased. The 2013 statistics indicates that 12,8 million (86,4%) households had access to piped water in 2013, compared to 9,4 million (79,9%) in 2005, the people expressed strong dissatisfaction with the service. Consequently, in 2013, only 63,2% of the households indicated that they experienced *good quality service* compared to 76,4% of the households in 2005 (Statistics South Africa 2014:47-50).

The middle class

The middle class is examined in two categories in the context of this article: *firstly*, in relation to its position in the South African and *secondly* the global economy (with special emphasis on the *white collar* sector that is principally found in the private and public sectors and the economic/financial settings they find themselves in). It should be understood that the two approaches are interrelated to a large extent, and are not mutually exclusive.

For an analysis of the first category, one of the most important theorists and empirical practitioners is E.O. Wright, who announced that he follows the “Marxist tradition with a scientific/empirical face”. His emphasis on a scientific approach is related to his detailed empirical verification of concepts (many of which are not to be found in Marx’s writings). Wright meticulously recorded his efforts to discover the optimal way of conceptualising the *middle class* in a way coherent and consistent with Marxist theory. However, making his assumptions empirically powerful has been one of his main challenges (Wright 1997: xxviii).

Wright called his social/empirical categorisation of the middle class an integral part of *analytical Marxism*, which recognises that “structural processes are played out at a micro-level”, where to understand “the mechanisms through which a given social cause generates its effects, we must try to understand why individuals act the way they do” “a set of locations filled by individuals subjected to a set of mechanisms that impinge directly on the lives of these individuals as they make choices and act in the world” (Wright 1989:275).

Irrespective whether such a position is Marxist, in reality it is very close to a sociological foundation useful in understanding ethics and corruption because a fight against corruption has to be based primarily on social and organisational mechanisms and social causes and effects, both in the private and the public sector.



For Wright, the middle classes consist of groups of people who do not own a means of production and/or who are obligated by circumstances to sell their labour, “but who are not a part of the working class” (Wright 1997:19). They are groups who are hired, fired, trained, managed, and also manage employees. They are human capital, especially of the *white collar variety*. He categorises these sections of the middle class according to the skills and expertise that determine their *class position*. Such classifications are underpinned by knowledge levels, skills as scarce resources, experience, talent and the acquisition of educational credentials. The logic underlying this classification is that people with higher education, expertise, experience and skills are usually destined to “command financial rewards in excess of the cost to produce and reproduce their labour, as in the case of high or middle level managers”. Wright also explains that “expertise and knowledge are extremely difficult to monitor and control. This difficulty makes ‘loyalty rent’ the most reasonable option” (Wright 1997:25).

His typology contains three key *employers: capitalists*, who employ three categories of managers (expert managers, skilled managers and non-skilled managers); *small employers*, who employ expert supervisors, skilled supervisors, and non-skilled managers; and *the petit bourgeoisie*, who employ experts, skilled workers and non-skilled workers (Wright 1997:25). One should not overemphasise these categories, but it can be argued that some of these typologies also apply to a number of categories found at all levels of government and/or the public sector. It should also be recognised that such categories of typologies and job categories can change over time, depending on the criteria and assigned virtues.

Wright’s work resembles Marxism in terms of his treatment of the working class; however, his empirical explorations of the middle class do not follow a Marxist approach. His attempt to add empirical specificity to Marxist concepts (although the term middle class is not one) is based on his understanding that today’s social and occupational structure is much more complex than that of the 19th century when Marx wrote *Das Kapital*. Wright’s typologies also negate the multiplicity or mediated class positions evident in the new millennium.

There is a wide variety of definitions regarding the nature and class/status positions of middle class especially in terms of strict economic/financial terms. In this sense, it is understandable that they use different thresholds. The underlying determinant for most of the definitions is purchasing power parity (PPP). Some of these definitions are discussed below.

Ravallion’s (2009) calculations led him to believe that in developing countries, the middle class is characterised by households whose consumption *per capita* stands at US\$2–US\$13 per day at PPP. The households belonging to the lower categories in the comparative scale are closer to poverty, while the group that earns more than US\$13 are classified as part of a Westernised; or middle class that lives in a *developed* economy.

Banerjee and Duflo (2010) analysed the same social category in developing countries. Their definition of the middle class in economic terms includes those who are able to live while earning between US\$2 to US\$10 per day. At the empirical level, they draw comparisons among those living on between US\$2 and US\$4, and between US\$6 and US\$10, who represent casual wage workers and regular wage workers respectively. The difference in the standard of living is substantial in terms of the two groups, with casual wage workers facing much higher employment informality and vulnerability.

Chun (2010) who researched and wrote on a number of Asian countries that can be classified as *developing*, identified the economic categories of the middle class as those living on between US\$2 and US\$20. Chun asserts that the majority of the middle class

households who live on the US\$2 to US\$4 scale can be classified as poor. On the other hand, the categories earning between US\$4 to US\$10 could afford to purchase non-essential goods, and save portions of their earnings. The same figures are provided by the African Development Bank (2011).

Research by Ferreira *et al.* (2013) identified the middle class in Latin America as those who earn an income of US\$10–US\$50, by using the parameters of comparison between financial securities as opposed to the burden of poverty. Their research indicates that their definition of the middle class is based both on economic calculations established through their empirical work as well as middle class sample surveys undertaken in five Latin American countries.

In contrast to the above, research undertaken in the developed world by Kharas (2010) led him to identify the middle class as comprising people with a *per capita* daily consumption of between US\$10 and US\$100 at PPP.

South African white collar middle class corruption and inequality

The University of Cape Town's Unilever Institute of Strategic Marketing has shown in its latest report that South Africa's black middle class has grown by 250% over the past eight years, from 1,7 million in 2004 to an estimated 4,2 million in 2013. The black middle class is worth approximately R400bn, and has more spending power than the white middle class which only has about R320bn. However, whites still dominate the top earning brackets (Bd. live 2013).

Only 10% of the *Living Standard Measures* (LSM) 9 and 5% of the LSM 10 comprised blacks in 2013 (Bd.live 2013). Nonetheless, the average monthly income of black households has grown 34% since 2004 to R20 985 last year, while an average white household income has increased by 9% to R25 115. In 2013, there were 1,3 million more car owners in the black middle class than in 2004, while the number of white middle class car owners dropped (Bd.live 2013).

In addition, fewer than 25% of the children from the black middle class attend state schools. The majority of the school-goers attend either former *Model C* or private schools. Only 16% of the black middle class do not have a matriculation certificate. Since 2004, the number of black middle class with a university degree has more than doubled (Bd.live 2013). Three-quarters of the group want to own their own business, while only 13% do — partly because of the financial constraints to start a business.

The research reveals that more than 20% of the black middle class are in the public service, implying that the rest are employed in the private sector, or are involved in running their own businesses (Bd.live 2013).

One of the key elements in the continuous increasing numbers of the Black middle class is the numerical strength of the public sector, not only at the top echelons but throughout its bureaucratic structure.

Former Minister Lindiwe Sisulu responded to a relevant question in Parliament that in 2014 South Africa had 34 ministers, 33 deputy ministers, 159 directors-general, 642 deputy directors-general, 2 501 chief directors and 7 782 directors. During the first quarter of 2013, 44 000 public servants were appointed, bringing their number to 3,07 million or 22,6% of the total labour force in the country. This figure was close to the total number of the *emerging middle class*.



If one follows Wright's framework, it can be assumed that a large majority of the members of the new emerging middle class are involved in mental (as opposed to manual) labour. It can be presumed that they are well-educated, skilled and experienced enough to deal with the challenges of their profession at all levels of the institutional hierarchy, thus representing what is known in public administration as the government's new public management *knowledge capital*. However, according to the latest *Report of the Auditor-General*, public services spent R102 billion from 2008 to 2011 of which R33 million by the national government and R65 billion by provincial governments on consultants (Mantzaris 2014c).

Despite these changes in South Africa, a number of studies have been undertaken by experts to gain a sense of the levels of corruption in various parts of our society. The methods to assess such levels are improving, as is the volume of information being produced, which, in turn, alerts the public to the growing seriousness of the problem. Much of this information is produced in the form of trends, deduced from comparative observation exercises. Below, a few studies considering such statistical estimates were produced in recent years.

Corruption and a lack of ethics are rife in South Africa. The government's efforts to promulgate sound, far-reaching and progressive anti-corruption legislation (Mantzaris 2014a) has not paid dividends in either the public or the private sector. It should be understood that middle class white collar corruption as a type of crime has been evident for many years in both the afore-mentioned sectors. White collar crime takes many forms, such as bank fraud, hacking, counterfeiting, blackmail, bribery, tampering, and manipulation of mobile phone use, tax evasion, money laundering, fraudulent tendering, conflict of interest, credit card fraud, investment schemes, cartel synergy, tax evasion, kick-backs, insurance fraud, insider trading, embezzlement, currency speculation, forgery, advanced fees, *Ponzi* and pyramid schemes and extortion. There are many methods of perpetuating crime nationally and internationally by pretending it is legal. Hundreds of people around the world have fallen victims to these types of business schemes, and many have failed to recover their investments (Woods and Mantzaris 2012).

Recent and earlier research has conclusively revealed that white collar crime, especially amongst top and middle management, has escalated significantly in the last decade. A study undertaken for the *Grant Thornton International Business Report* revealed that 84% of the employees or their family members are personally aware of white collar crime having been committed, while 90% of the companies have invested heavily in security because of growing white collar crimes (Woods & Mantzaris 2012; White Collar Crime n.d.).

Apart from the monetary loss to companies, the cost of white collar crime to business includes the lowering of employee morale, motivation, and loss of customers. South African businesses lose about 50 to 100 billion Rand annually and such crime results in a loss of up to 5% in business turnover. This was revealed by Business against Crime (BAC) in South Africa. BAC also reports that white collar crime is making it harder for start-up businesses to get over the usual 2-year threshold before real income is made. It also prevents them from shifting to becoming a medium-sized business because of the added cost of having to watch employees and managers do their jobs. This cost equals about 1,1% of sales that a company does not get to enjoy, or use to reinvest (White Collar Crime n.d.).

In late 2013, Price Waterhouse Coopers (PwC 2014) undertook a survey on economic crime in which 5 128 senior businessmen and -women from 93 countries participated. This survey included 137 respondents from organisations in 17 sectors. The purpose of the survey

was to inform South African business leaders of the attitudes, perceptions and realities of the latest developments regarding the levels of corruption and economic crime in South Africa, to open an honest discussion about causes, effects and repercussions of such realities and to encourage debate around strategic and emerging issues in this sphere. The survey points out that corruption and economic crime remain very serious issues with negative impact on the South African private sector.

The findings paint a bleak picture on such issues. Moreover, in a competitive environment, it can only increase the existing challenges faced by both the private and public sectors. Thus, 69% of South African respondents stated that they had witnessed some form of economic crime in the two years preceding the survey.

This picture becomes gloomier when compared to 37% of the global respondents and the fact that bribery and corruption was identified as the fastest growing economic crime category in South Africa, followed and/or accompanied by procurement and human resources fraud and financial statement fraud.

The perception in international corruption and anti-corruption literature is that there are basically *big three* crimes, namely: asset misappropriation, bribery and human resources fraud (Woods and Mantzaris (2012)). In the South African survey, asset misappropriation was the most common followed by human resource fraud and bribery and corruption. In comparative terms South African responses show that economic crime was much higher in the country. The highest perception for asset misappropriation in South Africa reached 77% (globally: 69%), procurement fraud 59% (29%), bribery and corruption 52% (27%), human resources fraud, 42% (15%), financial statement fraud 35% (22%), cybercrime 26% (24%), money-laundering 14% (11%), tax fraud 11% (6%), (e.g. false wage claims, ghost or and illegal insider trading 9% (5%).

Other key findings of the Report include the following:

- The perpetrators in the report in terms of corruption seem to belong to senior management operating as insiders, unlike previous reports pertaining to South Africa. Such guilty parties are mostly male and in the 31-40 age bracket, university graduates and with a career spanning over ten years with the work institution.
- In addition it has become empirically evident that corruption and bribery have been the increasing steadily in the country since 2011.
- Despite the fact that African and international comparisons have pointed that the role of risk management is vital in fighting corruption and fraud detection, a large number of private and public services institutions and businesses do not carry them out (PwC 2014).

Woods and Mantzaris (2012) have shown that high levels of corruption can become self-perpetuating, as corruption tends to feed on itself once it reaches a certain level of incidence. Once the environment is characterised by a loss of ethical standards, the combination of an apparently compelling need for individuals to satisfy their own personal financial and material interests, the opportunities to do so and the absence of sufficient deterrents not to do so, can raise the levels of corrupt behaviour to a point where a broad culture of corruption develops, to the detriment of an entire country.

Such levels of corruption have serious consequences for any country. The consequences and costs to a country or even to a specific community are usually difficult to measure, but

there is incontestable evidence that corruption ultimately has a negative effect on the living standards of more socio-economically vulnerable people, usually the majority of a country's citizens in most developing countries.

As Uslaner (2007) has shown, unequal distribution of financial and social resources inevitably leads to corruption, that is, greed for additional wealth and resources become a breeding ground for corruption. Public servants as well as corrupt individuals in the private sector are in most cases aware that fraud and corruption are illegal. Democratic government is violated and the lack of ethics and honesty are detrimental to human and social development. In the South African context corruption and fraud all but destroys the very principles of 'BATHO PELE' (People First) which has been adopted by all public servants as a contract of honesty, accountability and ethics with the citizens (Carrier 2010; Pillay 2011).

The negative consequences of corruption for the business sector include higher costs for doing business. Moreover, the undermining of competition amongst businesses results in higher taxes; it has a negative effect on the conditions under which business and government organisations operate and is a barrier to the development of dynamic entrepreneurship.

The negative consequences of corruption for sustainable development in South Africa include the reality that corruption deters investment in the country, lowers employment, has a negative effect on the inflation and exchange rates, harms a country's international reputation and international trade, reduces GDP growth, influences and distorts consumption patterns, leads to resource misallocation, reduces competition, efficiency and innovation across the economy, biases the allocations of talent and capital, and causes a waste of money and capacity (Woods & Mantzaris 2012:19-21).

CONCLUSION

The article attempted to show the relation between ethics (and a lack of it), in the private and the public sector white collar middle class and the perpetration of inequality in South Africa. Ethics was considered in the social and human context, and in terms of its relation with the middle class as a key element playing a role in perpetrating inequality. This is a pressing concern for the country, where despite existing challenges there have been positive signs at both economic and social levels, despite the fact that not all, especially the poor and the lower middle classes have not been beneficiaries.

Against the backdrop of the fact that social and economic inequality in South Africa has historical and structural inconsistencies, the article shows through its empirical component that the negative consequences of corruption for the business sector become instrumental in a range of ways. It negates efforts for continuous sustainable development in South Africa because corruption deters investment in the country, lowers employment, negatively affects the inflation and exchange rates, harms international trade and reduces GDP growth. It also leads to resource misallocation, harms a country's international reputation, reduces competition, efficiency and innovation across the economy, and biases the allocations of talent and capital. In short, it results in a waste of money, opportunity and capacity.

Where there is corruption, inequality becomes more entrenched in the economic structure of South Africa. It is thus a serious obstacle to an integrated and multi-pronged approach on the way forward. The wide variety of social grants and infrastructure initiatives

that provide additional income as well as employment and skills are inadequate to move the country into sustainable development. Policy responses to the existing inequality problem need to include a combination of fiscal policy interventions such as sustainable job creation, better education, a speedier service delivery, re-invigoration of the parastatals and the return of integrity and ethics at all spheres of government by any means necessary. Of course, there are no easy answers to South Africa's inequalities. However, exactly like the public sector, the private sector and its leaders need to show concretely and decisively the political will needed to uproot the weed of corruption and cast it out of their sector.

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