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PRESS RELEASE - Racial inequality declines to its lowest levels yet

A Stellenbosch University study shows a rapidly growing black middle class and a dramatic decline in racial inequality, but cautions that opportunities and life chances for children from different communities still remain unequal.

According to a comprehensive two-year long interdisciplinary study by researchers from the Economics and Political Science departments at Stellenbosch University (SU) the income gap between race groups is the lowest it has ever been.

“In terms of fundamentals, our society is slowly becoming more equitable,” says Prof Hennie Kotzé, Research Fellow at the Centre for International and Comparative Politics at SU.

“That is not to justify the pace of change, but rather to dispel possible misconceptions fuelled by recent evidence of social fragmentation and racial tensions. While there is certainly still room for improvement, data on the incomes and characteristics of South African households suggests that we are making steady progress.”

Using a monthly income per capita threshold of R4100 (in 2012 prices) the researchers found that South Africa’s black middle class has grown from 350 000 individuals in 1993 to almost 3 million individuals in 2012. Over this period the black share of the middle class has grown from 11% to 41%.

“The survey data shows a continuous downward trend in racial income inequality since 1993 and at the same time also a dramatic surge in black affluence. Previous studies on emergent black affluence often focussed on the implications for the consumer market, but said little about the impact on the social and political landscape. The disassociation of race and class is creating a post-apartheid society that is more dynamic and more equitable,” says Kotzé.

Kotzé was part of the research team which included economists, political scientists, anthropologists and sociologists from SU, the University of the Witwatersrand and Pretoria University. Other team members from SU were Prof Servaas van der Berg and Prof Ronelle Burger from the Economics Department, Dr Cindy Steenekamp and Prof Pierre du Toit from the Political Science Department at SU.

“After almost 20 years of democracy it is no longer true that South Africa’s middle class is mainly white,’ says Van der Berg, a professor of Economics.” Black South Africans now represent the largest share of the middle class.”

“There are indications that the magnitude of this shift and the significance of these developments may previously have been overstated due to media and marketing hype and analysis with small and unrepresentative samples that focus only on the black affluent. However, our work with large representative survey samples affirms that the middle class is becoming more representative,” says Burger.

According to Steenkamp, “This is a promising sign, with potential positive political, social and economic repercussions”.

“Most significantly perhaps, growing black affluence can be interpreted as an indication that our society may be becoming fairer with opportunities increasingly distributed according to the ability and motivation of individuals. Our research shows that gradually the constraints of apartheid are being lifted.”

Steenkamp says, “The research cautions against over optimistic predictions of economic growth, political stability or social cohesion” based on this recent surge.

“Marketing hype and a focus on these individuals as consumers have fuelled stereotypes and a characterisation of this group as cohesive and uniform. But our research shows that there is considerable variation within the middle class once you look below the surface.”

“While the rise in the black middle class is expected to help dismantle the association between race and class in South Africa, the analysis suggests that notions of identity may adjust more slowly to these new realities and consequently, racial integration and social cohesion may emerge with a substantial lag.”

Interviews suggest that despite the surge in black affluence, old apartheid era notions of socio-economic class tying class to race have endured and consequently some educated and rich black South Africans are reluctant to identify themselves as middle class.

“Class identity is complex. Our analysis found that the ‘middle class’ label was only weakly correlated with traditional notions of what it means to be middle class. We find some correlation between self-identification as middle class and income, assets and occupation, but not as strong as one would have expected. However, we found no evidence of a distinct set of so-called middle class values. It is simply not true that the middle class has a better work ethic or places a higher value on savings or education. Research in Latin America confirms this. The middle class might think that they are distinct because they value hard work and education, but there appears to be no basis for this and such conceptions could be due to class prejudice.”

The study provides good news, but does not condone the status quo. While there are signs that race is no longer as dominant as it was before in determining economic advancement, white South Africans are still overrepresented amongst the rich and poverty remains concentrated amongst black and coloured South Africans.

“It is important to highlight that the life chances of South African children remain tragically unequal with opportunities and prospects depending largely on where a child was born and who his or her parents are. Children born in poor communities have limited choices and consequently they are often prevented from reaching their full potential,” said Van der Berg.

Where almost all children growing up in typical upper middle class households will have access to electricity, clean water and decent sanitation we find that less than 20% of young children in lower class households have access to adequate sanitation, less than 35% have access to clean water and just over 60% have electricity in their homes. Similarly, while 83% of children who live in upper middle class households have access to a car, it is rare amongst the lower income classes (5%). The starkest contrast is in terms of computers: 73% of upper middle class children grow up with computers in their home, but virtually none of those born into lower classes have access to a computer.

Additional information and photos:

More information on the multi-disciplinary project on the emergent middle class is available at the Research on Socio-economic Policy (RESEP) website: <http://resep.sun.ac.za/index.php/projects/emergent-middle-class-in-south-africa/>

Biographies of the research team

Prof Pierre du Toit is a Professor in the Department of Political Science. In 1992 he was awarded a Peace Fellowship from the Jennings Randolph Program for International Peace at the United States Institute of Peace in Washington, with a focus on the role of the state in democratic transitions. The results of this research project were published in the book *State Building and Democracy in Southern Africa - Botswana, Zimbabwe and South Africa* (USIP Press, 1995). His subsequent research has been on the durability of negotiated peace settlements, which is the topic of his 2001 book *South Africa's Brittle Peace - The Problem of Post-Settlement Violence* (Palgrave-Macmillan,). He is the recipient of a Fulbright New Century Scholars Award for 2002-2003. His latest book, co-authored with Prof Hennie Kotzé, is called *Liberal Democracy and Peace in South Africa: The Pursuit of Freedom as Dignity* (Palgrave Macmillan, 2011).

Dr Cindy Lee Steenekamp is a Research Fellow at the Centre for International and Comparative Politics (CICP) at Stellenbosch University. Her research focuses primarily on the World Values Survey and several opinion-leader surveys conducted around the world and include research interests such as comparative international politics, value studies, social capital and development. Steenekamp is the co-author of a book, several research reports and occasional papers, has attended a number of national and international conferences and is a member of the South African Association of Political Science and International Political Science Association. She also teaches in the Honours Programme in the Political Science Department and the summer and winter schools of the African Doctoral Academy at Stellenbosch University focusing on quantitative data analysis for social sciences research.

Prof Hennie Kotzé obtained his DLitt et Phil from the University of Johannesburg in 1981 and is currently a retired professor of political science. He served as the Dean of the Faculty of Arts and Social Sciences for 10 years. His research focuses on the social, political, and economic transformation that has taken place in South Africa since 1990, both at the elite and public level. Kotzé is one of the principle investigators of the World Values Survey in South Africa, which tracks value and attitudinal changes at the individual level that are transforming social, economic and political life; while a longitudinal study on the attitudes and values of the country's opinion-leaders has formed the other core element of his research. His research relates primarily to questions concerning differences in values and beliefs regarding democratic values and support for democracy, religiosity and secularisation, economic values, and social capital. He has published several books and more than 70 articles on comparative political behaviour, public policy, and South African politics.

Ronelle Burger is an Associate Professor at the Economics Department of Stellenbosch University and a researcher at Research on Socio-economic Policy (RESEP). She is also a research fellow at the Centre for Research in Economic Development and International Trade at Nottingham University in the UK. She works on questions relating to poverty dynamics in African countries, with a particular interest in the role of service delivery. She has consulted for various local and international organisations including National Treasury, UNICEF and the World Bank. She holds an MPhil in Economics from Cambridge University and is a PhD in Economics from Nottingham University.

Servaas van der Berg is Professor of Economics at Stellenbosch University in South Africa, and holds the National Research Foundation's South African National Research Chair in the Economics of Social Policy. His research covers economic development, poverty and income distribution, the economics of education, health and welfare, and fiscal incidence. He serves on the Scientific Advisory Committee of SACMEQ (Southern and Eastern African Consortium for Monitoring Educational Quality) and was the first researcher from Africa to become a fellow of the prestigious International Academy of Education. He acts as consultant to international, regional and other institutions and often provides policy advice to government departments.

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