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Identity, inequality and social contestation in the Post-Apartheid South Africa[1]

Hiroyuki Hino, Murray Leibbrandt, Ratjomose Machema, Muna Shifa and Crain Soudien

Abstract

This paper examines contestations in the South African society - its past, present and future. It provides historical accounts of formation of ethnic and race identities; and offers some evidence that South Africans became less exclusive of people in other race groups during the early years of post-Apartheid period but have reversed this accomplishment over the last ten years. The paper then holistically examines inequality in the post-apartheid period; namely, at national level, between and within ethnic and race groups, and measured by income and by self-assessment of an individual's life satisfaction. Using the frequency of and desire for interracial social interactions as an indicator of exclusiveness or inclusiveness of racial identities in South Africa, the paper finds positive correlation between the exclusiveness of racial identify on one hand and inequalities of the level of life satisfaction within and between race groups. It identifies "inequality hot spots" on this basis, which need to be addressed if a more cohesive society is to be nurtured in the country. Finally, the paper finds tentative signs of the emergence of a common citizenry, a national identity, which would also be needed for South Africa to transition to a cohesive society.

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[1] A shortened version of this paper is published in Hino, H., Langer, A., Lonsdale, J., and Stewart, F., *From Divided Pasts to Cohesive Futures? Reflections on Africa*, (Chapter 4), Cambridge University Press, forthcoming.

1. Introduction

Ethnicity in Africa dates back centuries. It evolves in response to the challenges and opportunities provided by geography and demography. It takes its dynamism from the social, economic and political circumstances that surround the ethnic groups, including inequalities between - and within - those groups. Directly relevant for this paper is Lonsdale's description of how this process of the making of ethnic identity unfolds. (Hino, H. et al, 2019, Chapter 4). In his useful portrayal of the Four Ages of Ethnicity in Kenya, he explains that the fourth and latest age can be described as the age of "Political Ethnicity". It is characterized by divisiveness. Lonsdale comes to the conclusion that a more inclusive Fifth Age of Ethnicity does not appear likely, at least in the near future, despite the painful memory of ethnic clashes that claimed more than 1300 lives only a decade ago and the subsequent adoption of a truly progressive Constitution that people hoped could finally usher in a more cohesive society in the country.

South Africa too is struggling with the challenge of building a nation where its citizens are bound by a sense of common purpose and belonging. The challenge in South Africa is more complex than it may be in many other countries. It concerns not simply one form of social difference, as may be the case in Kenya, but fractures involving the interplay of multiple differences and identities. The country is constituted around many forms of social difference. These include race, ethnic affiliation and class in addition to gender, sexuality, religion, language, geography, region and a whole host of other forms of social differentiation.

These differentiations occur, moreover, in contexts of intense social stress. The country, as we explain below, is working its way through a long process of transition out of its apartheid past in which the differences of race, ethnicity and class were formative at both individual and social levels. Critical, also, is the challenging economic environment in which South Africa finds itself. Growth has stalled. Unemployment levels grow each year.

These conditions have coalesced to make South Africa one of the most complex countries in the world. While, thus, the country is a place of immense possibility and innovation, it is beset with challenges. These challenges have made the country immensely susceptible to social discontent. It is now one of the most protest-hit countries in the world. Many protests, moreover, have turned violent (Alexander, 2016). The incident at the Marikana platinum mines in the Northwest Province, where over 60 miners were killed, is one of notable examples of such violent protests. The conditions have also given rise, as communities seek to act in what they think is their best interests, to extreme forms of xenophobia (Hofmeyr & Lefko-Everett, 2014).

The end of apartheid and the coming of democracy in South Africa in 1994 promised for the country a new beginning. It gave birth to hopes of a new inclusive South African identity which would transcend its old apartheid racialized loyalties. The ideal of "a nation united in diversity" or "a rainbow nation" was developed. Moments arose in the last 23 years when it seemed that the dream of the 'rainbow people' was being realized. These happened most notably when South Africa won the rugby world cup in 1995 and when it hosted the football world cup in 2010. The big global events came and went, and a hard reality sunk in. It has been difficult to sustain these moments against its history.

Various opinion surveys indicate that the South African society might have begun to move toward greater cohesion during the first decade of the democratic dispensation, but thereafter the momentum seems to have given way to the assertion of social divisions as differentiations sharpened and inequality within the country grew, with the widening of inequality both between and within groups. These fractures have taken many forms and can be examined from many

perspectives. They manifest themselves in racial, class, gender, regional and a multiplicity of other forms. The fracture of most interest for this chapter is that of race. Contestation between and within racial groups, with class and ethnic overlays, has sharpened over the last decade, manifesting itself in violence, land disputes, workplace conflicts, social frictions and a loss of economic productivity.

Race is prioritised in this discussion because it has historically shaped up as the major form of social identification in the country. This identification, it is important to explain, and the literature on this is voluminous (see, for example, the recent work of Erasmus, 2017), is the direct result of the country's long history of social engineering. This engineering came to a climax in 1950 with the passage of the Population Registration Act which required that every South African carry an identity document which classified him or her in racial terms. At that point three racial groups were identified, Whites, Natives (the term was later changed to 'Bantu') and Coloureds (who were subdivided into seven groups which included people classified as Indian and Chinese). Indian people were later separated out as a distinct race group.

These racial groups were, after 1949, allocated to separate 'group areas', where their whole social and cultural lives were expected to be played out. At the heart of these processes was a system of racial classification which was initially premised on racial biological terms, and later, after this was unable to be sustained on scientific grounds, on cultural grounds. In the process, as definitions shifted towards the cultural, terms such as 'race' and 'ethnicity' became interchangeable.

What the term 'ethnicity' signifies in South Africa is also important to clarify. While the term is used in this chapter, it is necessary to signal that it has an uncomfortable presence in the social sciences in South Africa. The discomfort felt around it (see, importantly, the clarification of the nuances around this term and others in use in South Africa in Boonzaaier and Sharp (1988) and Shepherd and Robins (2008)), is fundamentally about the way the term 'ethnicity', and its correlate 'ethnic groups', has been used as synonym for 'race'. Shepherd and Robins (2008) make clear, for example, how the social sciences have struggled over the idea in the last few decades: 'Whereas during the antiapartheid struggle, Left intellectuals and activists believed that outmoded ideas about ethnic and cultural differences would give way to modern, socialist understandings of working-class consciousness and solidarity, political life in post-apartheid South Africa continues to be animated by discourses on 'African tradition' and ethnic difference' (Shepherd & Robins, 2008, p.7).

This paper aims to provide a deeper understanding of the social contestation of South African society since the end of Apartheid, focusing on the evolution of the character of each of key identity groups – race and ethnicity. We gauge inclusiveness/exclusiveness of an identity by the extent to which individuals in the identity group engage in or wish to engage in social interactions with those in other identity groups and by their desire to learn customs of others' identities. We then establish how the character of race and ethnicity has changed over the period and investigate if deepening of inequality helped to trigger those changes. We look closely at how inequalities between and within race groups and those between and within ethnic groups changed over the period, and how they are correlated to the changes of the character of race identities. We measure inequalities in terms of both income and self-assessment of the level of an individual's life satisfaction, the latter being a more comprehensive measure of one's wellbeing.

In the following sections, we begin with a brief review of identities in South Africa, focusing on how the characters of ethnic and race identities evolved from the pre-colonial period to the present (Section 2). This is followed by a presentation of vertical, horizontal and intra-group inequalities of race and ethnic groups during 1994 and 2008 and between 2008 to 2015 (Section 3). We then investigate changes in the extent of and the desire to engage in inter-racial social interactions over the two sub-periods and how those changes correlate with the trends in various measures of

inequality (Section 4). Observations on prospects for forging a more cohesive society conclude the chapter (Section 5).

2. Identities of South Africans

According to the 2017 Report of the South African Reconciliation Barometer Survey (Potgieter, 2017), language, i.e., proxy for ethnicity, and race are by far the most prominent identities of South Africans: about one half of South Africans consider language and race as either their primary or secondary identities. Economic class is listed as the primary or secondary identity by about one quarter of South Africans. Interestingly, less than one in five South Africans consider being South African as his/her primary or secondary identity. SARBS 2017 also reports that only 4% of the population list language as the first cause of the division in the country while race is mentioned as the first cause by 24% of the population. In contrast, inequality is listed as the number one cause of division by 31% of the population (Potgieter, 2017, p.16).

In the official nomenclature in South Africa and in private conversations, as seen above, people are routinely classified in four "race" categories – African/Black, White, Coloured and Indian. The Coloured group are offspring of inter-relationships between freed slaves (mainly of Malay origin), the Khoisan and European colonists. The Indian constitute a small but important ethnic group. The persons of Indian origin first came to the Cape in the community of slaves, and later, the large migration of people of Indian descent occurred during the 1860s when indentured labour was required to work the Natal sugar-cane fields. The Indians have remained a relatively homogeneous and internally cohesive group, with strong attachment to their culture and tradition.

South Africans are concurrently classified in "ethnic" categories. There are 11 official languages in South Africa, and they are often used as proxies for ethnicity. Nine of the official languages are those of African origin such as Zulu, Xhosa, Ndebele and Venda, and the other two are European, i.e., English and Afrikaans, a local adaptation of the Dutch. Languages broadly correspond to the ethnic groups but not precisely so. Afrikaans are spoken by the Afrikaners, mostly descendants of Dutch settlers, the Coloured and some of African ethnicities.[2]

The histories of these groups too have been a source of conflict in the country. Dominant apartheid history sought to hold alive the explanation that African and European people arrived in the country at the same time. The narrative has it that the country was empty and so terra nullus. Anti-apartheid historians have long sought to show the falsity of this claim and have demonstrated that the country was occupied by Bantu-language speakers, never-mind the Khoisan who were here many centuries earlier (see Wilson, 2011)

In this section, we briefly review: (a) the evolution of ethnicities of African origin over the course of history; (b) the formation of race as a statutory imposition and classificatory name; and (c) the emergence and suppression of a unique identity group in the country from inter-mingling of ethnicities, all with a view to understanding the character of race and ethnic identities at present as well as its interplay with inequality. Class (as in labour vs capitalist) is another key identity impacting social contestation in the country. However, in the context of South Africa, as we will see below, class formation is closely interwoven with that of race. It is therefore difficult to untangle the impact

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[2] According to StatSA, in 2014, the South African population was composed of: African/Black (80.2%); Coloured (8.8%); White (8.4%); and Asian/Indian (2.5%). (StatSA, 2014). In terms of languages spoken at home, IsiZulu (22.7%), IsiXhosa (16.0%), Sepedi (9.1%), Setswana (8.0%), Sesotho (7.6%), Afrikaans (13.5%), and English (9.6%) accounted for 86.5% of total population in 2011 (StatSA, 2013)

of class from that of race in our quantitative analysis. For this reason, and because of data limitations, class is not a focus of detailed discussion in this chapter.

2.1 Evolution of ethnicities of African origin

Ethnicity - as it relates to the kinship groups of African origin - has a bifurcated character. They are linguistic groups which evolved in relatively autonomous ways, much as they would have in other parts of Africa, but there is a distinct colonial hand in the identities which have emerged (see Chanock, 2001; Delius, 2008; Mamdani, 1996). The identities have both self-making and a constructed dimension to who they are. With respect to the latter, they take much of their character from the complex structural forces, not least of all British colonialism, which played themselves out around them. These groups sharpened their distinct identities during the apartheid era as a result of the country's homeland policy, which had as its intention the disenfranchising of all South Africans who were classified 'Bantu' and the creation for them of separate homelands. The effects of these developments have been to produce relatively robust ethnic identities.[3]

People of African origins migrated to southern Africa many centuries ago – first, the Sans from further north about 8000 years ago; then the Khoikhois also from further north about 2000 – 3000 years ago; and finally, the bantu speaking people probably from east and central Africa between AD 300 and 900 and possibly earlier (Nattrass, 2017). Substantial polities began to develop, and, by the 1760s, a large number of political entities emerged. These jurisdictions have come to be described, in the historical literature in different ways. Some texts describe them as chiefdoms, others as kingdoms. Those, of course, were not the terms that people used to describe themselves and the collectivities to which they belonged. But the concepts have an intelligibility that is useful for this work. Chiefdoms typically had a decentralized hierarchy with low intra-group inequality and were not always tightly closed to those outside. People in a Chiefdom shared norms of reciprocity, collective protection of kin, and hence a common sense of belonging.

However, the country's geography and ecology made inequality between the distinct groups inherently complex. Moreover, trade with European settlers that had begun in the late seventeenth century, and more generally the dawn of commerce, led to a rise in both inter- and intra-group inequalities. As population pressures grew and climate change made land less fertile, the search for food and pasture led to large scale migrations within Southern Africa. This brought groups into direct conflict and, eventually, armed contestations between them. The defeated were absorbed into the victorious, and large polities emerged by the 1830s.

Those polities generally had a three-tiered hierarchy – aristocrat, commoners and war captives – and, consequently, considerable intra-group inequality. People in those polities were structured around leaders who presented themselves as 'kings' and were much less naturally bonded to each other with mutual trust. Group moral ethnicity thus faded, and an identity of exclusive instinct gained strength.

As European settlers increased their presence and advanced into the interior by force in quest for agricultural land and mineral resources, the traditional polities fought long and vicious wars to protect their land and community. They were defeated. The British Colonies expanded, and the Boers (mostly Dutch settlers) established two Colonial States, Transvaal and Orange Free State (1852-54). The traditional institutions were absorbed into the colonial administrations in ways which simultaneously cemented particular identities, weakened others and created new ones. Particularly

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[3] How these identities, as social collectivities, are referred to have long been controversial in South Africa. The term 'tribe' is avoided by social scientists because of its colonial provenance (see, for example Wilson & Thompson, 1982).

complex variations of how this process developed can be seen in the creation of new and larger political identities and the dissolution or weakening of older loyalties within the isiXhosa and isiZulu-speaking communities.

The traditional institutions were revived by the colonial administrations for their own convenience. Those institutions have since been nourished in the post-Apartheid governments, and traditional attachment has been used increasingly for political mobilization (see Claassens, 2014). Furthermore, evidently, the memory of injustice – committed by both triumphant Kingdoms and the Colonial Powers - does not fade for centuries. Thus, today, most South Africans of African origin harbour a sense of belonging to their respective lineage, and ethnicities of African origin remain a foundation of South African society with a varying degree of instinct of exclusion and mistrust of others.

2.2 Race formation and ethnic identity

South Africans of European origin began to migrate to the country during the 1650s. They are largely those of British and Dutch origin, but also include smaller numbers of French Huguenots, German Reformists Protestants and others. These smaller groups of European descendants assimilated quickly into the Dutch. A new culture, a language and an ethnic identity, Afrikaner, emerged through social and economic integration. During 1835 and mid-1840s, Afrikaners (Boers) advanced into the interior from the Cape Colony, in search of pasture and land and to escape from the British rule. **The Afrikaner identity** gathered strength during this "Great Trek" and was solidified in the Boer Republics, which were established after that. Governance in these Republics was meant to erect political, social and economic inequalities in favour of Afrikaners and in detriment to slaves and Africans.

Afrikaners, most of whom had initially arrived as poor settlers and were still relatively poor farmers, went on to engage in ferocious wars against the richer British to secure more land and mineral resources, and, hence, greater equality and self-determination vis-à-vis the British. The Afrikaners eventually lost the second, decisive, 'Boer war' of 1899-1902, and accepted the abrogation of the Boer Republics and the formation of the Union of South Africa in 1910 as a dominion of the British Empire. Nonetheless, the Afrikaner came out to be an internally cohesive identity with "nationalism" for their own advancement and a strong instinct for exclusion of others.

This **Afrikaner nationalism** exerted strong influence in successive governments of the Union of South Africa, which began to institutionalize the Whites as an identity group to protect its own for exclusion of others. The Union governments were concerned that poor whites (Afrikaners) became more prevalent in the aftermath of the depression of the 1880s and began to assimilate into communities of Africans and former slaves. The governments feared that such assimilation could endanger the very existence of the whites as a distinct supreme race. The response of the Union government was to eradicate poverty from the white population all together, through preferential treatments in favour of the Whites and discrimination against the others (Bundy, 2016).

Thus, a series of aggressive legislations were enacted, all with the aim of removing competition for good jobs for middleclass whites and ensuring a supply of cheap black labour for rich whites. Those legislations included; (a) the Natives Act of 1913, which allocated 87% of land to Europeans and barred African sharecroppers and squatters from farming in white owned farms except as labour tenants: (b) a series of labour laws, which created a system of industrial relations under which, for example, skilled jobs were kept only for white workers while unskilled jobs were subject to minimum wage but only for white workers; (c) large scale public works programmes, which created jobs for white workers; and (d) extensive public services only for white families, covering education, housing and health (1930s). By the early 1940s, there were no longer poor whites.

The apartheid period between 1948 and 1994 is particularly significant for the process of race formation and ethnic identity in South Africa. In 1948 the National Party won the whites-only election in South Africa. It immediately set about institutionalizing the policy of 'apartheid'. 'Apartheid' was based on the idea that the people of South Africa were divided into clear racial groups each of which had a separate social, cultural and economic existence and so should be allowed to develop and live separately. Intrinsic to the idea was the belief that people classified white were superior to the other groups identified in the policy, i.e., the Africans/Black, the Coloured and the Indians.

The new government introduced a panoply of laws – approximately 300 - to manage the entrenchment of separate development. The most notable of these were the Prohibition of Mixed Marriages Act of 1949; the Population Registration Act, the Group Areas Act, the Suppression of Communism Act, all passed in 1950; the Native Laws Amendment and the Abolition of Pass Laws Act (which, ironically forced all African people to carry reference books, the hated 'dompas'), and the Bantu Authorities Act, which were passed in 1952; and the Bantu Education Act of 1953. These laws both institutionalized discrimination and socialized the black people of South Africa, those who were not white, into physical and mental states of inferiority. South Africans growing up in this period, grew up believing, unless they were taught otherwise by their parents, teachers or religious and educational institutions, which did happen, that their imposed racial classifications were real.

When Apartheid was finally forced out and democracy was born in 1994, the ideology of inclusion was formally instituted into the new Constitution which was adopted in 1996. Thus, the new South Africa had an opportunity to be founded on an inclusive sense of what it meant to be African. However, this opportunity faded as government policy to bring about greater equality for the Africans/Blacks ironically cemented race in government institutions and public discourse and, as shown below, inequalities between race groups grew in people's self-assessment of life satisfaction.

More than two decades after the end of Apartheid, South Africa still lives in its shadows. The Afrikaner identity remains today although not as overt as used to be. South Africans of British origin had a privileged position in the society and economy, protected for a long time by the colonial institutions and then Apartheid. Growth of land ownership and commercial farming by Africans did occur in rural areas under the British colonial administration but this development was abruptly reversed by the segregation policy of the colonial administration (Acemoglu & Robinson, 2012; Bundy, 2016). Thus, inequality between the British as an ethnic group and the African ethnic groups steadily rose and remains exceedingly high today. Importantly, colonialism and Apartheid ruptured the very foundation of African communities and aroused strong feeling of injustice and social contestation. It continues to do so today.

2.3 Emergence and suppression of the Coloured community

Enslaved people came largely from the Malay Peninsula in South East Asia but also from Madagascar and other coastal areas of the Indian Ocean. They were first brought in 1658 and were increased to as many as 36000 in the Cape alone by the early 1800s. They were disparate groups with no common identity, disfranchised and dependent on their masters for their meagre living. They were thus unable to organize as an identity group to protest for their interests or create social conflicts.

After they were emancipated in 1807, a majority of the slaves in the Cape Colony stayed with their masters, but many moved out to work in commercial farms in Western Cape. There, they began to develop their own culture and communities through intermarriages and social interactions. Many other emancipated slaves moved to the District VI area of Cape Town, where they, together with other Muslim immigrants, developed a distinct, ethnically-mixed community with its own culture (See Rasool, Chapter 11 in this volume). Similarly, a vibrant ethnically-mixed community emerged in

Sophiatown and other urban areas in the country. However, those communities were squashed as the colonial and Apartheid administrations forcibly resettled the inhabitants, precisely for fear of the growth of ethnically or racially mixed identity groups and the consequent challenge to the white supremacy.

An important component of this group's history has to do with the Khoisan community. Khoisan people were not enslaved but have a complex history of hostility and rapprochement with the white settler community. The first frontier wars in the relationship between white settlers and the indigenous peoples were fought with the Khoisan in 1658. This inaugurated a long period of conflict which led, as Adhikari (2010) has argued, to what he calls 'the genocide' of the San people. After about 1840, when Khoisan people were brought into the economy as indentured people and after slavery was abolished, slave descendants and Khoisan people began to be referred to by the colonial government as 'coloured' people. Out of this history has emerged a relatively identifiable community with cultural practices which include the experiences of slavery, the recovery of Islam at the Cape, conversion to Christianity and the complex effects of racial classification.

To sum up, the race and ethnic landscape in South Africa has historically been complex and continues to be so today. The ethnic groups of African origin contain internal contradictions and contestations as inequalities between and within the ethnic groups are large; this is confirmed in recent surveys as reported below. Similar observations could be made about the relationships between Afrikaners and British, and between these groups and the African ethnic groups. An analysis of social contestation or cohesion in South Africa is incomplete unless narratives of race and ethnic relations are read together with parallel stories of inequalities, to which we now turn.

3. Inequalities in the Post-Apartheid period

While 1994 ushered in a new, non-racial era of equal rights before the law, one cannot legislate at the stroke of the same pen the equalization across race and ethnicity of access to wealth - including land, human capital and other assets – that was carried into the post-apartheid era as the legacy of the history that was unpacked in the previous section. The incredibly high measured inequalities at the start of the post-apartheid period served as the clearest metrics of this historical legacy and, in the intervening years, have served as key benchmarks of progress in building a flourishing and cohesive new South Africa.

In this section, we analyse holistically the extent and trend of inequalities since the end of Apartheid in 1994, namely, in terms of income and life satisfaction; in relation to the South African society as a whole and each of race and ethnic groups individually; and both within (vertically) and between groups (horizontally). We will show that aggregate measures of vertical or horizontal inequality do not necessarily point to a rise in social contestation during the last decade. Rather, undergirding this are the perceptions of inequality based on the lived experience of post-apartheid South Africa and the changing texture of inequalities between certain historically sensitive race or ethnic groups and within certain groups. These inequalities have risen and such "inequality hotspots" require close attention.

The data for income and life-satisfaction inequality analyses are derived from the Project for Statistics on Living Standards and Development (PSLSD) for 1993, and two waves of the National Income Dynamics Study (NIDS) for 2008 and 2015. The PSLSD was conducted just before the first democratic elections in 1994 to give a broad national picture of South Africa at the start of democracy (SALDRU, 1994). NIDS is the first nationally representative panel survey, which started in

2008 and continues every two years. The latest wave available was conducted in 2015 (SALDRU, 2015).

The inequality analysis in this section extends the literature in two respects. First, the assessment of the extent of inequality in South Africa has been based largely on income. There is very little research that examines the extent of inequality using multi-dimensional inequality measures, which more fully reflect the distribution of relative well-being of members of the society (Bhorat & Westhuizen, 2013; Wittenberg & Leibbrandt, 2017). Our analysis makes use of self-assessment of the degree of life satisfaction, perhaps the broadest measure of one's wellbeing. Second, the assessment of inequality has focused mostly on vertical inequality, i.e., the distributional pattern of income among individuals in the country. Evidence suggests that such aggregate measures of vertical inequality (e.g., the Gini coefficient) are not strongly correlated with social tension or instability. Rather, it is horizontal inequality and polarization, i.e., disparities in the level of wellbeing between competing identity groups, which correlates more closely to social conflicts (Esteban & Ray, 1994; Stewart et al., 2010). Thus, we augment our analysis of vertical inequality with a detailed analysis of horizontal inequality, with respect to both race and ethnic groups.

3.1 Inequality at the national level

We begin our analysis of inequality in South Africa with an examination of vertical inequality of the national distribution between during 1993 to 2015. We offer estimates of several indicators of vertical inequality; namely, the Gini coefficient, skewedness at the top and the bottom of distribution, and the Palma ratio. We present those estimates for income distribution, and then for the self-assessed level of life satisfaction. Taking the estimates of these inequality indicators together, aggregate income inequality rose notably between 1993 and 2008, and declined somewhat during 2008 to 2015. In contrast, on the same basis, aggregate life satisfaction inequality declined strongly from 1993 to 2008 and remained broadly unchanged after that.

3.1.1 National income inequality

The first panel of Figure 4.1 displays the distributions of log real income per capita and Lorenz curves for real income per capita for 1993, 2008 and 2015. All incomes are indexed to 2015 prices. The distribution of income shifted slightly to the right from 1993 to 2008, mainly in the middle and in the tails of the distribution and shifted further to the right in 2015 at all levels of the income distribution, except at the very top. These results suggest that from 1993 to 2015 there has been a rise in real incomes at all levels.

Figure 0.1 Distribution of Real Income Per Capita and Lorenz Curves (1993-2015)
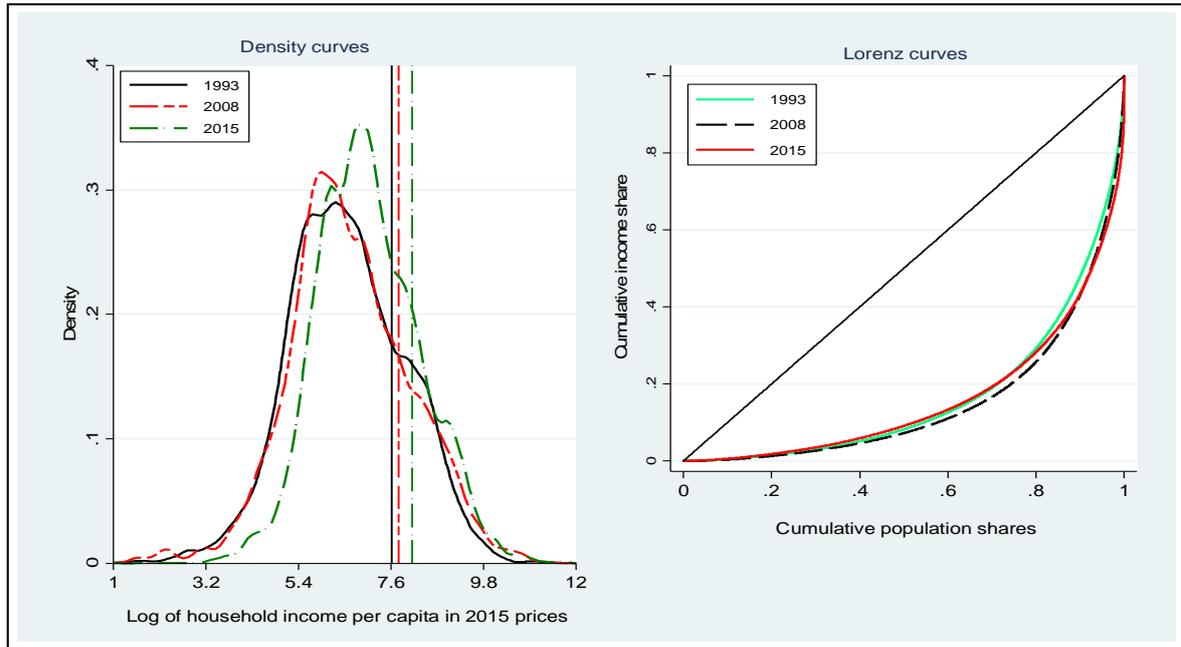
Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).

But it is hard to discern changes in inequality from this panel. To make progress on this issue, the second panel of Figure 4.1 presents a set of Lorenz curves that provide a clear view on changes in vertical inequality at the national level. Recall that the further a Lorenz curve lies from the 45[0] line of equality, the more unequal the distribution is and the higher value of the Gini coefficient. In the second panel, the 2008 Lorenz curve is clearly further away from the diagonal line than the 1993 curve. This means that whatever measure one uses, inequality worsened from 1993 to 2008. With regard to the comparison of 2008 and 2015, the Lorenz curves cross, which means we cannot state definitively if inequality rose or fell between these two observation points. Different measures, with their different value judgements, will reach different conclusions about changes in inequality between 2008 and 2015.

To explore this further we calculated a few different indicators of inequality over time, starting with the Gini coefficient. This coefficient increased from 0.667 in 1993 to 0.698 in 2008 and fell slightly to 0.678 in 2015. The increase from 1993 to 2008 is expected, given the clear outward shift of the Lorenz curve in Figure 4.1. However, when it comes to assessing the change from 2008 to 2015, the Gini coefficient is more definitive than the Lorenz curve in reflecting a decrease in inequality from 2008 to 2015. Reconciliation comes from the fact that the Gini coefficient is particularly sensitive to changes in the income distribution occurring around mean income. Given South Africa's high inequality, such changes are in the upper-middle section of the distribution. Inspection of both panels of Figure 4.1 show that real incomes rose in this upper middle section and larger shares of the income accrued to this section; hence the declining inequality reflected in the Gini.

Other measures are better than the Gini in giving a sense of changes in the tails of the distribution and in the distance between the rich and the poor. In this regard we also calculated: (a) the shares of incomes of the top 10 % and the bottom 10% in total income; (b) the distance between the top10% and the bottom 10% as measured by their ratios to the median income; and, (c) the Palma coefficient, which is the ratio of the income share of the top 10 % to the income share of the bottom 40 %. The Palma coefficient focuses on the top 10 % and the lower 40 % of distribution, because in most countries, those in the middle deciles tend to capture about 50 % of national income (Cobham & Sumner, 2013).

Like the Gini coefficient, each of these five indicators uniformly shows that inequality increased from 1993 to 2008, and then declined from 2008 to 2015. For example, the median income of the richest 10 %, which was already exceptionally high in 1993 relative to that of the bottom 10 % (69 times), became even more so in 2008 (85 times) before falling back to 65 times in 2015. Likewise, the income share of the top 10 % was 52 % in 1993, increased to 56.9 % in 2008 and declined slightly to 56.5 % in 2015. In contrast, income share of the bottom 10 % was only 0.44 % in 1993, declined even further to 0.36% in 2008, and then crawled up to 0.6 % in 2015. The trends are similar if we look at the Palma coefficient, which increased from 10.1 in 1993 to 12.4 in 2008 and declined to 9.6 in 2015.

The regularity in the above inequality trends is striking. In sum then, even if the Lorenz curve reflected some ambiguity, from most vantage points, national income inequality declined from 2008 to 2015. Importantly, this does not correspond to perception surveys which show consistently that the public perceives that inequality continued to rise in the recent years. It seems that the unfolding realities of daily life for the majority of South Africans have not evidenced a declining inequality or the move to more integrated socio-economic circumstances that would lead people to perceive a reality of declining income inequality. We go on to investigate these perceptions in the next sub-section.

3.1.2 National life satisfaction inequality
Given that the post-apartheid period was explicitly meant to do away with the race-based discrimination and favouritism, the impact of the birth of the nation on a person's life satisfaction must have been deeply different, depending on his or her race and ethnicity. Divergent patterns in the levels of and disparities in life satisfaction that emerged must have been fundamental in determining social contestation in South Africa.

Figure 4.2 shows the distribution of life satisfaction over time at the national level and for each race group except the Indian/Asian group which is too small a sub-sample in NIDS for reliable analysis. As anticipated, there was an upsurge in life satisfaction across the spectrum from 1993 to 2008, followed by a reversal from 2008 to 2015. Large portions, if not most, of those reporting less than satisfied (category 1 through 4) moved to either neutral or somewhat satisfied (category 5 and 6). This improvement was more than reversed during 2008 to 2015. In this more recent period, the proportions of the population who ranked their level of satisfaction in the lower half (category 2, 3 or 4) increased substantially, while those who ranked their level of satisfaction in mid-range (category 5, 6 and 7) decreased correspondingly.

Most striking is the unmistakable shift of the distribution toward less satisfaction from 2008 to 2015, driven mostly by changes in the assessment of life satisfaction of the African group. From 1993 to 2008, the distribution of life satisfaction of the African group clearly and remarkably shifted upward, i.e., from less satisfied to more satisfied, but then shifted back from 2008 to 2015. The trends of life satisfaction of the Coloured group broadly mirror those of the African group, although at higher levels of satisfaction. For the White group, the shifts in life satisfaction were subtle. We will return to these trends in Section 5.2 where we discuss horizontal inequality.

Figure 0.2 Distribution of life satisfaction at national level and by race (1993-2015)
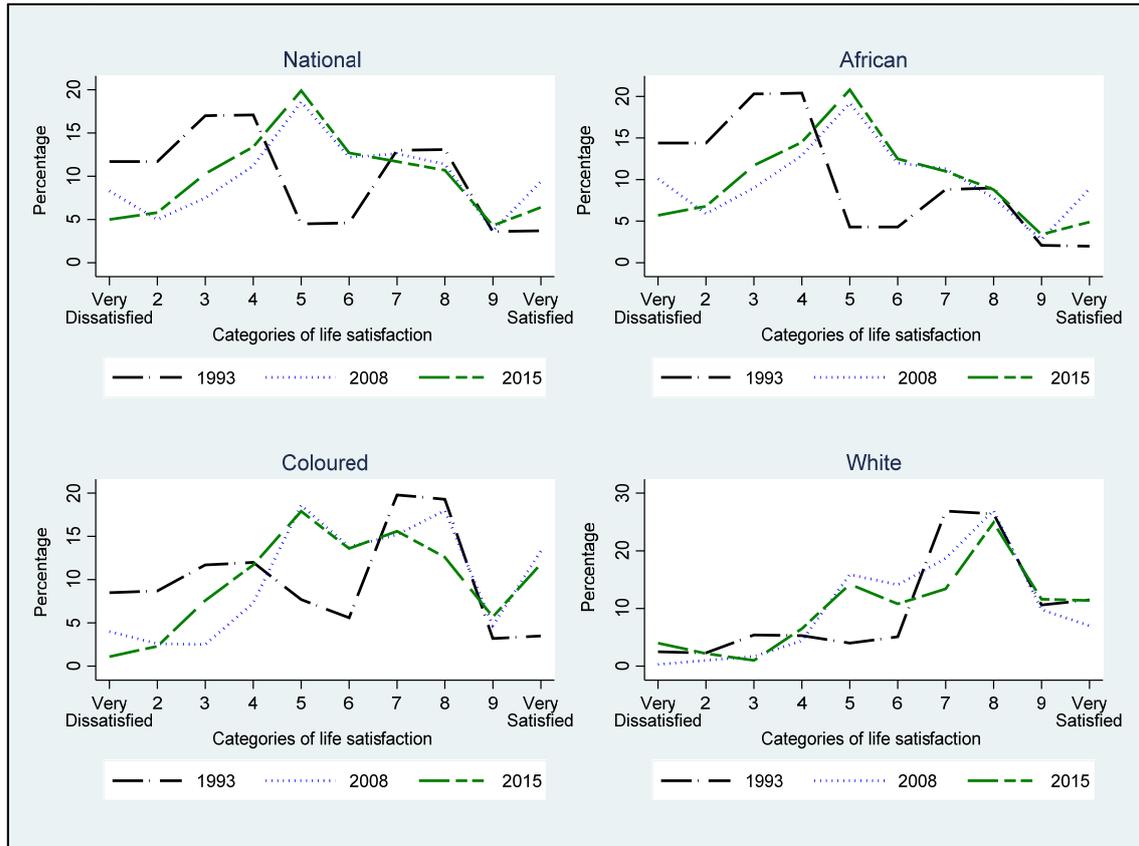
Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).

Figure 4.3 presents life satisfaction Lorenz curves for 1993, 2008, and 2015. It shows that the Lorenz curve unequivocally shifted inward from 1993 to 2008. This means that vertical inequality of life satisfaction in the South African society unambiguously fell from 1993 to 2008. The change from 2008 to 2015 is unclear as the Lorenz curves of 2008 and 2015 are sitting on top of each other. The Gini coefficients confirm this trend (a decline from 0.318 in 1993 to 0.257 in 2008, and a smaller and possibly insignificant decline to 0.242 in 2015). As the Lorenz curve analysis is so clear-cut, we do not augment the Gini coefficient with other measures of inequality.

Figure 0.3 Lorenz curves of life satisfaction (1993-2015)
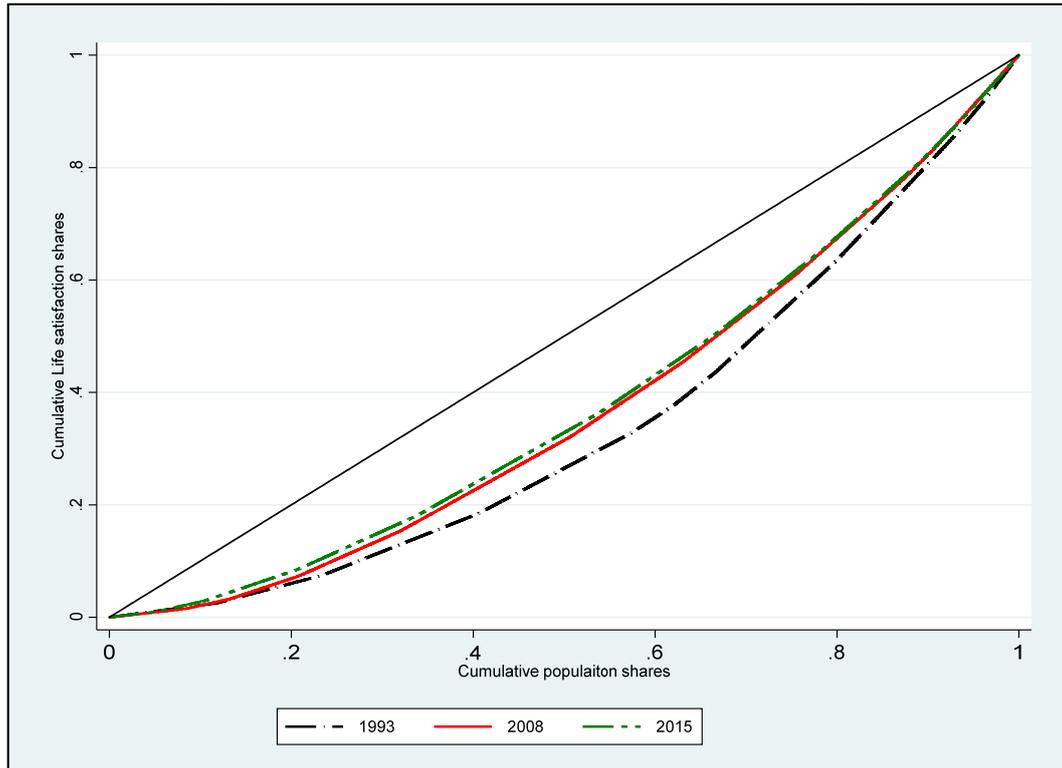
Source: Own calculations from weighted PSLSD (1993) and NIDS (2008;2015).

What are the key takeaways from the discussions of vertical inequalities of income and life satisfaction above? First, it may not be prudent to focus exclusively on the level and trend of income inequality. Income inequality of course is one of the elements that influence life satisfaction. But, apparently, there have been other factors that outweighed income in the assessment of life satisfaction by South Africans. Arguably, the latter, i.e., inequality in the degree of life satisfaction, could have a more direct and important role as a link between inequality and social contestation and cohesion. Second, it may be useful to study more carefully both levels and inequalities of life satisfaction – particularly those of race and ethnic groups - in order to better understand the social cohesion dynamics in the country. The wave of optimism that followed independence appears to have been replaced by a sense of frustration and discontent, and hence stagnation or even a decline in life satisfaction across a broad spectrum of the society over the last decade.

3.2 Inequalities between and within race groups

As shown in the discussion of identities in Section 2 above, inequality between groups (horizontal inequality) is most pertinent in understanding contestation of a society. When inequality between two groups rises, members of the group that became worse off tend to come together to protect their interests, leading at times to greater antagonism toward other groups. Additionally, when inequality within a group rises, bonding of its members around their common identity weakens, leading at times to fragmentation of the group.

In this sub-section, we examine horizontal and intra-group inequalities of race groups. We first examine visually distributions of individual groups in any given year, to see how close they are to each other. We then quantify the closeness by measuring distance between the means of the distribution of pairs of groups and then aggregate all bilateral mean distances into one measure, the Group Coefficient of Variation (GCOV), to produce an aggregate measure of horizontal inequality (Stewart et al., 2010). We further quantify the extent of overlap between two distributions by

measuring the ratios of the mean of one distribution to that of the others across all levels of income. This is called the disparity ratio (Stewart et al., 2010). We complement the above horizontal inequality measures by Gini coefficients for each group (intra-group inequality). As in the previous sub-section, we contrast income and life satisfaction inequalities.

3.2.1 Income inequality of race groups

Figure 4.4 compares income distributions of three race groups (African/Black, Coloured and White). It shows that in 1993, the three distributions were quite distant from each other, with a limited overlap between the distribution of the Africa/Black group and that of the Coloured, and almost no overlap between the Africa/Black group and the White group. This is a clear sign of large horizontal inequality. In 2008, the distances became less wide and the overlaps increased, mostly because the distribution of the African/Black group shifted decidedly to the right. Horizontal inequality clearly narrowed. By 2015, the shapes of income distributions of all three groups changed noticeably. The distribution of the Africa/Black group became more dispersed, with a flattening of the distribution in the middle; the distribution of the Coloured group became more concentrated; and, interestingly, for the White group, lower ends of the distribution bulged while upper ends shrank. It is not immediately clear if horizontal inequality continued to fall. From the visual inspection, we see no indications that horizontal income inequality was a cause of the apparent rise in racial divisiveness over the last decade.

Figure 0.4 Income Distribution by Race (1993-2015)
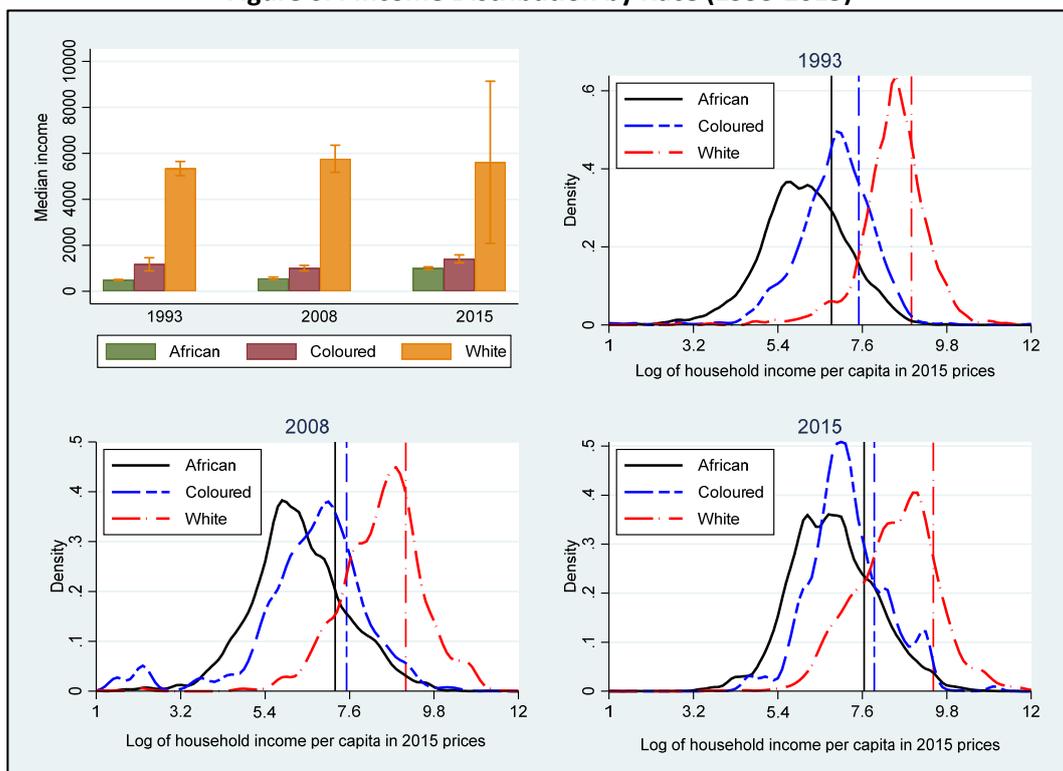
Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).
Note: All incomes inflated to 2015 prices.

The distances between mean incomes of race groups confirm the very large yet declining horizontal inequality we observe above. In 1993, the median income of the African/Black group was less than one tenth of Whites, one fifth of Indians, and about a half of Coloureds. Likewise, the median income of Coloureds was about one fifth of Whites and a half of Indians. From 1993 to 2008, the relative positions of median incomes between racial groups remained largely unchanged, except that the Coloured group became significantly poorer relative to the White group, and less rich relative to the African/Black group. From 2008 to 2015, however, the relative income positions narrowed significantly across all racial pairs. In particular, the African/Black group continued to improve their relative income position vis-a-vis the Coloured group, while the income gap narrowed between the Coloured group and the White group.

We calculated the Group Coefficient of Variation (GCOV) in order to sum up the trends in horizontal income inequality. This GCOV declined by 15 % from 1,034 in 1993 to 0,782 in 2008; and further by 18% to 0.566 in 2015.

Disparity ratios add further texture to this picture. As explained above, a disparity ratio estimates distances between two distributions at every quintile and hence tells how closely two distributions overlap. As shown in Figure 4.5 below, between the White and the African/Black groups, the distance in mean income at lower ends of the distribution declined steadily from 1993 to 2008, and further to 2015. In the middle-income ranges, this distance did not fall much from 1993 to 2008 and declined somewhat from 2008 to 2015. Together, these two trends imply that the decline in horizontal inequality between the White and the Africa/Black group was driven by those in lower income brackets.

Between the Whites and the Coloured groups, the distance in mean income actually increased from 1993 to 2008 in all income quintile ranges, except at the highest end; from 2008 to 2015, the distance declined remarkably at lower ends but increased slightly at the highest end. Between the Coloured and the Africa/Black groups, mean of the former remained higher than those of the latter at all income levels. However, the distances declined dramatically across all income levels from 1993 to 2008, and the decline continued through 2015, except at the lower ends.

Figure 0.5 Disparity Ratios in Mean Income by Race (1993-2015)

Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).
Note: All incomes inflated to 2015 prices.

Did income inequality within racial groups fall in tandem with inequality between groups? Data reported in the working paper version of this chapter (Hino, et al, 2018, Appendix, Table 4.2) shows that the answer is a clear no. Measured by Gini coefficients, there have been large increases in intra-group income inequality from 1993 to 2008 for all race groups, although these increases were clawed back partially from 2008 to 2015. A number of studies have documented the changes in between-race versus within-race income inequality over the post-apartheid period (e.g. Leibbrandt et al., 2012). Such decomposition shows that the within-race component rose and the between-race component declined over the post-apartheid period. We redid these calculations for 2015 and this shows a continuation of this trend beyond 2008 to 2015. While there is still a staggeringly high between-group share, it suggests an increasing importance of within-race group inequalities in understanding inequality in South Africa and assessing its implications for social contestation and cohesion.

To sum up, while inter-racial and inter-ethnic horizontal income inequalities clearly fell in aggregate from 1993 to 2015, this does not tell the whole story. Incomes of the Coloured group were squeezed from below from the Africa/Black group, and, at the same time, pulled apart from above by the Whites group. The disparity ratio analysis is interesting in showing that gains have only been made between the African bottom and the White bottom. So, in general the African group is

aggrieved at the pace of transformation, the Coloured group is very threatened, and the bottom end of the White group is threatened too. Equally important for social contestation are the dynamics arising from the changes in the relative positions within racial and ethnic groups. Similarly, large inequality emerged between ethnic groups of African origin. These dynamics must have had a significant impact on social relations in the country.

3.2.2 Life satisfaction inequality of race groups

We turn now to horizontal and intra-group inequalities of life satisfaction. Figure 4.6 shows the distribution of life satisfaction for each race group, in 1993, 2008 and 2015. In 1993, while the three distributions clearly overlap, they sit apart with some distance between them. The distribution of the White group sits substantially lower than that of the Africa/Black group in the lower half of the level of satisfaction, and higher in the upper half; the distribution of the Coloured group sits neatly in between. This again indicates large horizontal inequality. In 2008, the three distributions come much closer together. The distributions of the White and the Africa/Black groups sit on top of each other from the lower end to the middle of the level of satisfaction, while sizeable gaps remain in the upper half. The distribution of the Coloured group actually crosses over the other two. Horizontal inequality clearly fell.

In 2015, the three distributions moved apart again. The distribution of the White group returns to below that of the African/Black group in the lower half of satisfaction, and even higher than before in the upper half. Interestingly, the distribution of the Coloured group criss-crosses that of the Africa/Blacks in the lower to middle range of satisfaction and is lower in the upper half of satisfaction. Gaps between the White group and the Coloured group in the upper half of the level of satisfaction are very large indeed. Clearly, horizontal inequality rose from 2008 to 2015.

Figure 0.6 Distribution of Life Satisfaction by Race 1993-2015
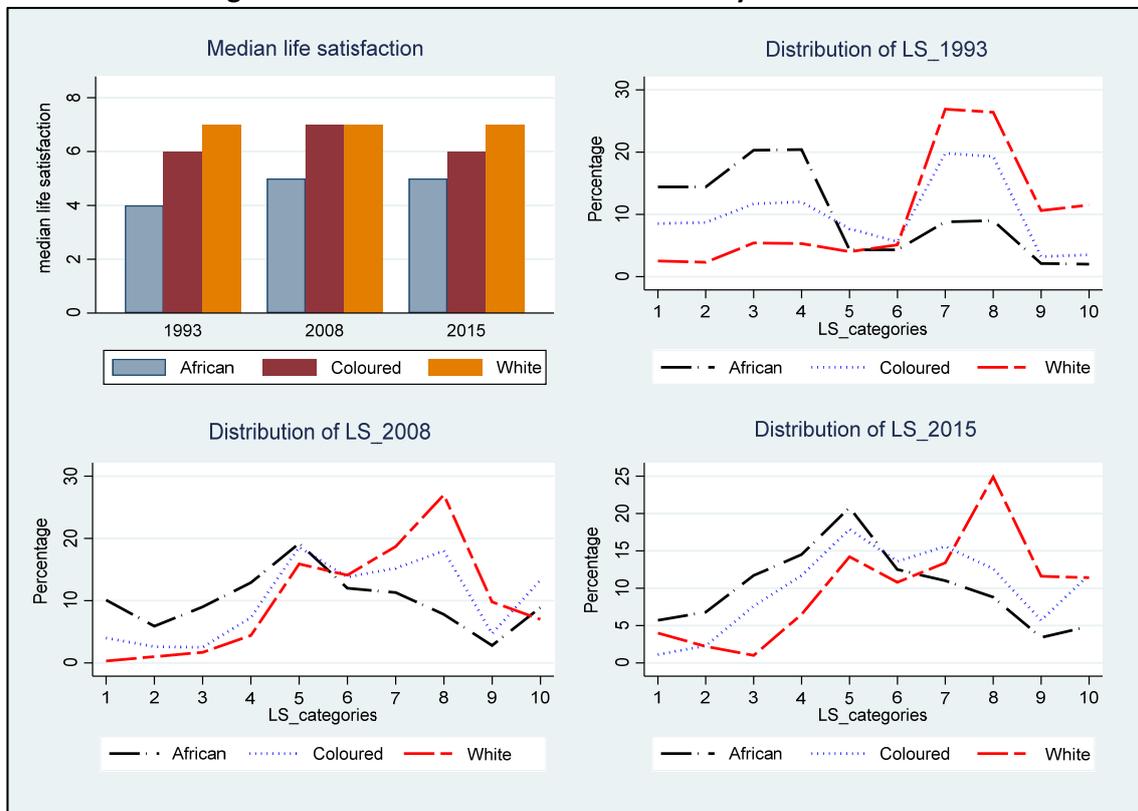
Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).

The differences in median life satisfaction scores between race groups show a similar trend. They were substantial in 1993 but narrowed noticeably in 2008 as life satisfaction of the Africans/Black group and the Coloured group moved closer to that of the White group. The summary measure of horizontal inequality, the Group Coefficient of Variation, halved from 0.226 in 1993 to 0.108 in 2008, and fell further modestly to 0.082 in 2015.

Has intra-race group vertical inequality of life satisfaction changed in a way to reinforce the impact of the movements of horizontal inequality on social contestation? In other words, did intra-race group inequality narrow from 1993 to 2008 and further in 2015? Indeed, this is the trend we observe. (See Hino et al 2018, Appendix Table 4.3). The Gini coefficients declined in each race group from 1993 to 2008 – by a large margin in the cases of the African/Black and the Coloured groups. In 2015, inequality of life satisfaction declined for all race groups, except for the White group. However, these aggregate figures do not tell the whole story. As is the case in income inequality, life satisfaction of the Coloured group got worse relative to that of the Whites and the African/Black groups.

3.2.3   Inequalities between and within ethnic groups

As regards ethnic groups, trends and notable developments of inter- and intra-group inequalities are broadly similar to those of race groups with regard to income but were remarkable difference in relation life satisfaction. The following four points may be highlighted.

First, as shown in Figure 4.7, income gaps between the ethnic groups of African origin on one hand and the English and Afrikaans group on the other narrowed substantially from 1993 to 2008, and this trend continued to 2015. Among the ethnic groups of African origin, substantial widening was observed in some bilateral comparisons (e.g., Zulu vs Sotho) from 1993 to 2008 although there were notable declines in others; further considerable widening occurred in several bilateral relations from 2008 to 2015.

Figure 0.7 Median Per Capita Income of Ethnic Groups (1993-2015)
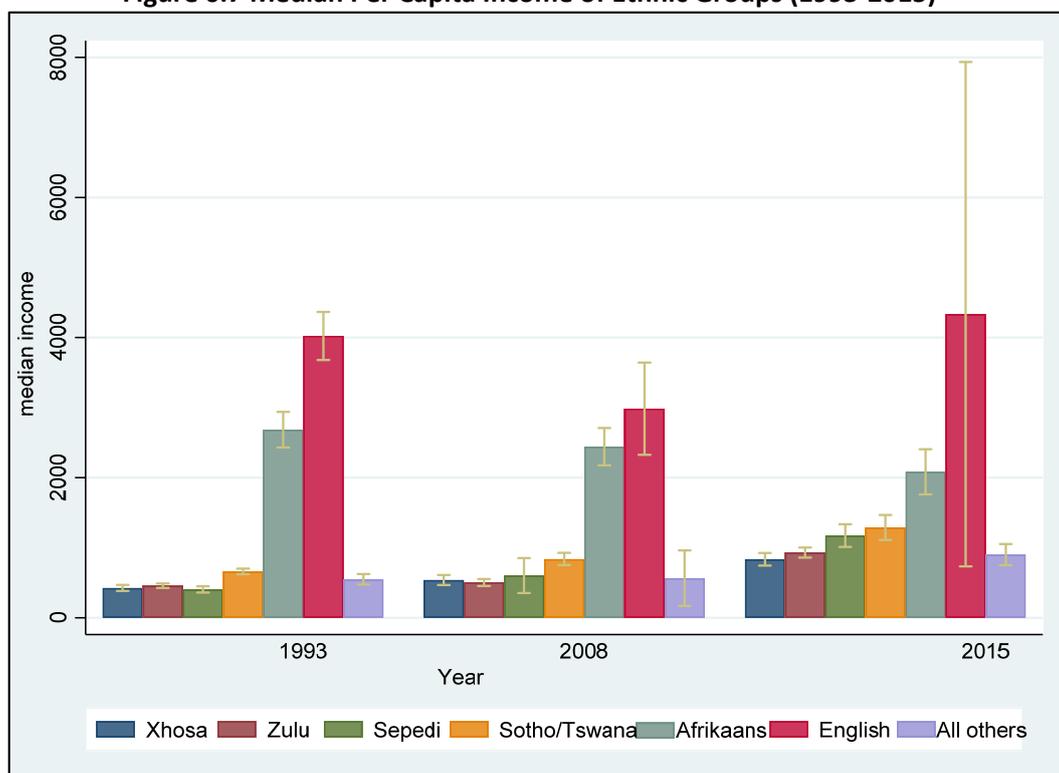
Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).
Note: All incomes inflated to 2015 prices.

Second, our calculations show that the Gini coefficients were uniformly high within the ethnic groups of African origin in 1993 (except one) and went even higher in 2015 in all ethnic groups, except two relatively small groups; Gini ranged between 0.76 and 0.45 in 2015. Apparently, African ethnic groups have become much less uniform in terms of income distribution, both between and within.

Third, regarding life satisfaction, in 1993, the distributions of ethnic groups were quite far apart at both lower and higher levels of satisfaction, except that the distributions of the English and Afrikaans group were close. As can be seen in Figure 4.8, all distributions became remarkably close to each other in 2008 and got even closer in 2015 with all groups bunching in the middle, except again the English and the Afrikaans group. Narrowing of inequality between ethnic groups is seen not only in terms of the entire distribution of life satisfaction but also in terms of mean satisfaction scores.

Figure 0.8 Distribution of Life Satisfaction by Ethnicity, (1993-2015)
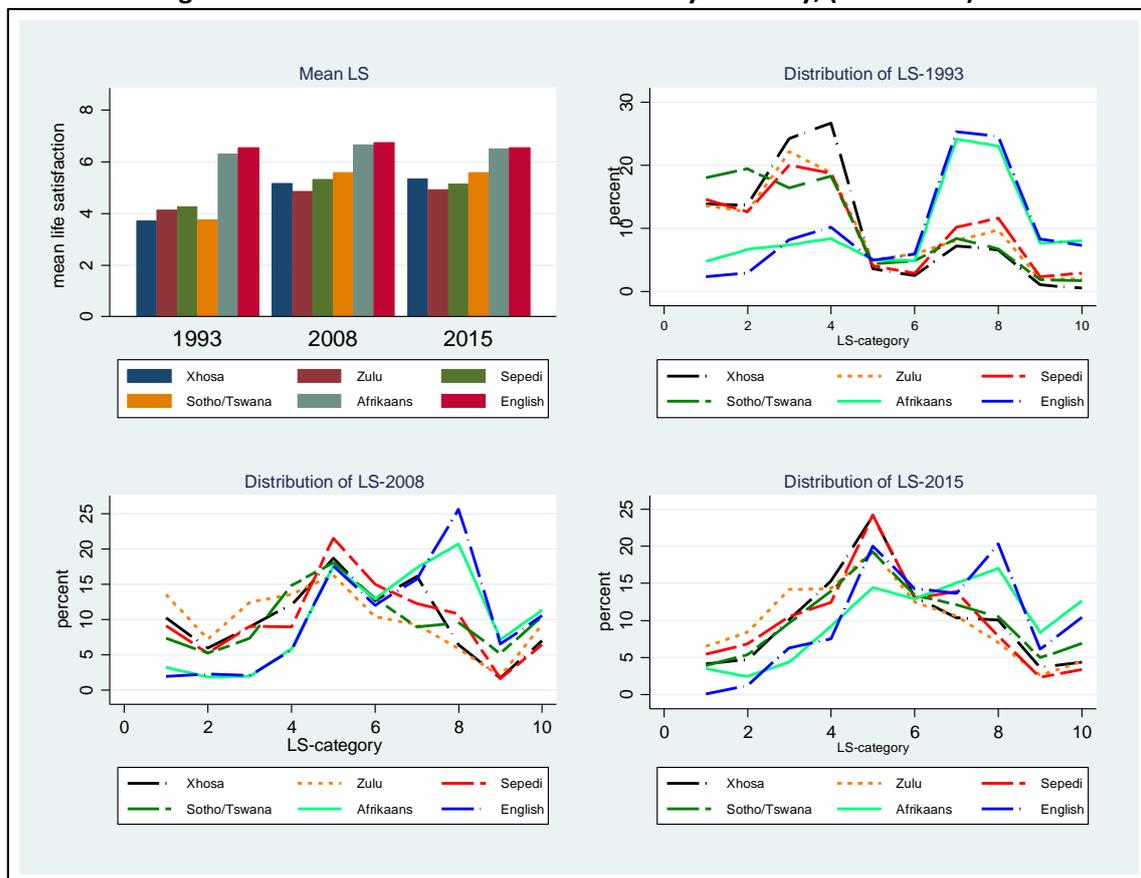
Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).

Fourth, as shown in Hino et al, 2018, (Appendix Table 4.4), intra-group life satisfaction inequality was rather uniform across the ethnic groups of African origin in 1993, but sizable difference emerged since then. In 2015, the Gini coefficient of life satisfaction ranged from a high of 0.674 (Tsivenda) and a low of 0.476 (IsiNdebelele).

To sum up, measured by life satisfaction, vertical and horizontal inequalities in South Africa unambiguously fell from 1993 to 2008 although intra-group inequality rose. From 2008 to 2015, however, the level of life satisfaction declined across all race groups. This must have had a significant

negative impact on overall sentiment in the society. Life satisfaction of the African/Black group declined at a pace substantially faster than that of the White group. Life satisfaction of the coloured group fell at a rate faster than either the whites group or the African/Black group, leaving the coloured group worse-off than the whites group and less better-off than the African/Black group.

Such delicate movements in life satisfaction of underprivileged identity groups -- and the consequent rise in inequality between the race groups with a difficult history – would have certainly aggravated social contestation in the country. Similar trends are observed for the relevant ethnic groups. Indeed, this chapter shows that, measured by the extent of and the desire to engage in inter-racial social interactions, race and ethnic groups became significantly more outward looking and inclusive from 1993 to 2008, but this trend stagnated and even reversed from 2008 to 2015. This corresponds closely with the trends of the inequality of life satisfaction. In contrast, we do not find such correspondence between inter-racial social interactions and income inequality.

4. Correlation between inequality and identity formation in the Post-Apartheid period

The previous section has made it clear that, if we are to see how inequality relates to social contestation, it is necessary to go beyond the usual macro measures such as a Gini of national income distribution. It is important to identify "inequality hotspots" such as a significant rise in inequality between two identity groups with a difficult past or a large increase in inequality within delicate identity groups.

In this section, we return to the issue of identity formation. We posit that the extent of inter-racial social interaction – both actual and desired – indicate the degree to which a particular race group is inward-looking and exclusive of others and examine the trends of those indicators from 1993 to 2015. We show that inter-racial social interactions, as seen as a composite of actual and desired, rose significantly from 1993 to 2008 but fell since then. We then see which specific aspects of inequality correlate with this trend. We examine how the observed changes relate to various aspects of inequality, such as intra-group (vertical) income inequality or inter-group (horizontal) life satisfaction inequality.[4]

4.1 Trend in inter-racial social interactions
The South African Reconciliation Barometer Surveys (SARBS) ask respondents three questions regarding inter-racial interactions: (1) On a typical day during the week, whether at work or otherwise, how often do you talk to [other race group] people?; (2) When socializing in your home or the homes of friends, how often do you talk to [other race group] people?; and, (3) If you had a choice, would you want to talk to [other race group] people? Figure 4.9 presents responses to those questions for 2003 to 2013.

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[4] David et al. (2018) examine how the trends in inter-racial social interactions are correlated to living standard and perceived inequality, based on the data set from SARBS.

Figure 0.9 Frequency of Everyday Inter-Racial Talk, Socialization, and Desire to Talk (2003-2013)
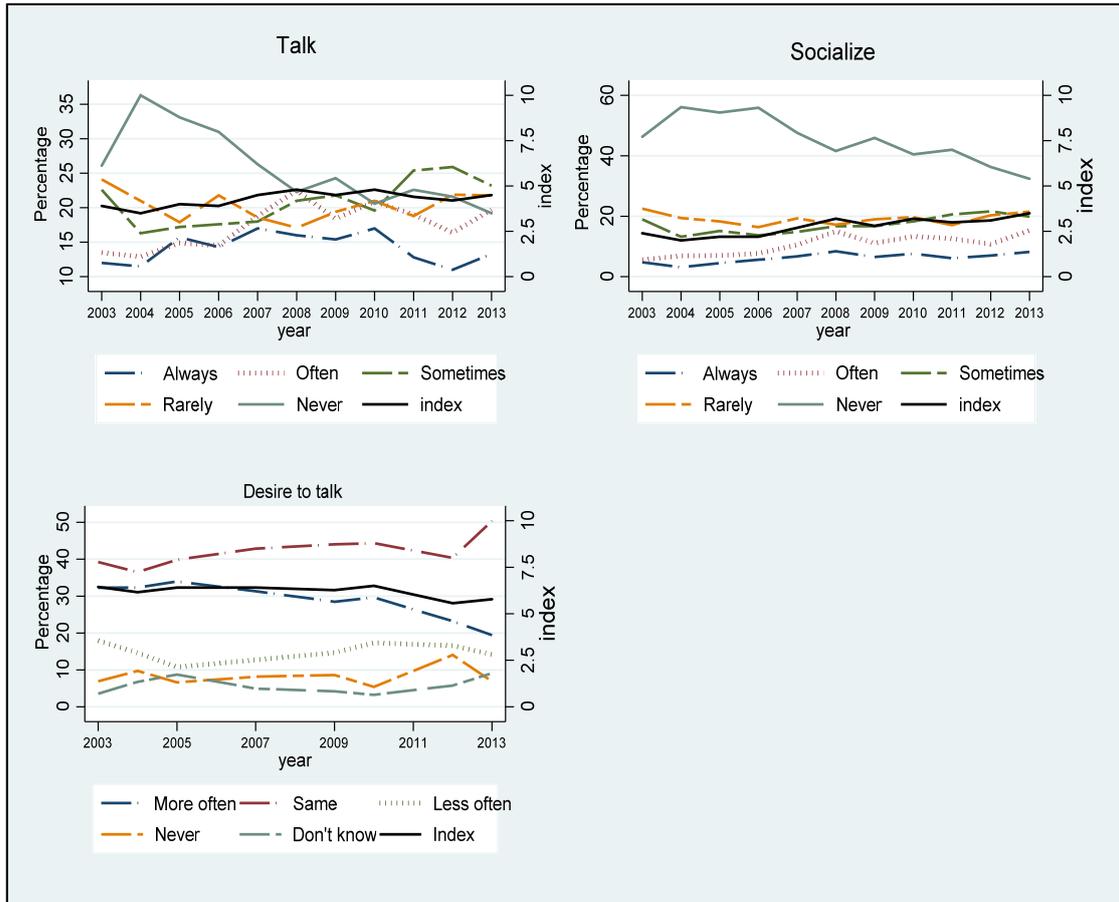
Source: Own calculations from weighted SARBS (2003-2013).
Note: The index is created as a weighted average of five data points
(never /don't know- 0; rarely – 2.5; sometimes – 5.0; often – 7.5; and, always – 10.0)

It is striking how limited inter-racial social interactions are in South Africa. This is the baldest statement as to the persistence of the historical legacies of separate development and apartheid planning that were described in section 2 of this paper. Even in 2013, only a third of South Africans often or always talk with someone from a different racial group and only a quarter of South Africans often or always socialize with someone from a different racial group at his/her home or the home of friends.

Those who often or always socialized with people from a different race group increased considerably from 2003 to 2008, and then fell subsequently. Those who never or rarely socialize with other race groups dropped remarkably from 2003 to 2008 and rose slightly since then. Similar trends are observed for inter-racial talk. To the extent that the paucity of inter-racial socialization is an indicator of social contestation, the above trends suggest that social contestation fell from 2003 to 2008 but that progress has halted since then. Similar findings are also suggested in other studies (Mattes, 2015; Tredoux & Dixon, 2009).

The survey results on the desire to talk with other race groups reinforce the above findings. From 2008 to 2013, the share of those who desired to talk more with people of other races declined while those who desired to talk never or less, increased. In 2013, about 50% of South Africans wanted to maintain the same level of inter-racial interactions (talk), while 19% of them wanted to interact more often.

As expected, Figure 4.10 below shows that there are significant differences in the attitudes toward inter-racial socialization among race groups. In 2003, only 15% of the White group desired to interact more often; in the case of the other race groups, the share of those who desired to interact more often was at least 30%. Most interesting, however, is that as much as 70% of those in the Coloured group desired to interact more often in 2003, but this share declined steadily and sharply to only 20% by 2013. Note that this is exactly what was predicted from the squeezing of the Coloured observed in the previous section.

Figure 0.10 Desire to Interact by Race (2003-2013)
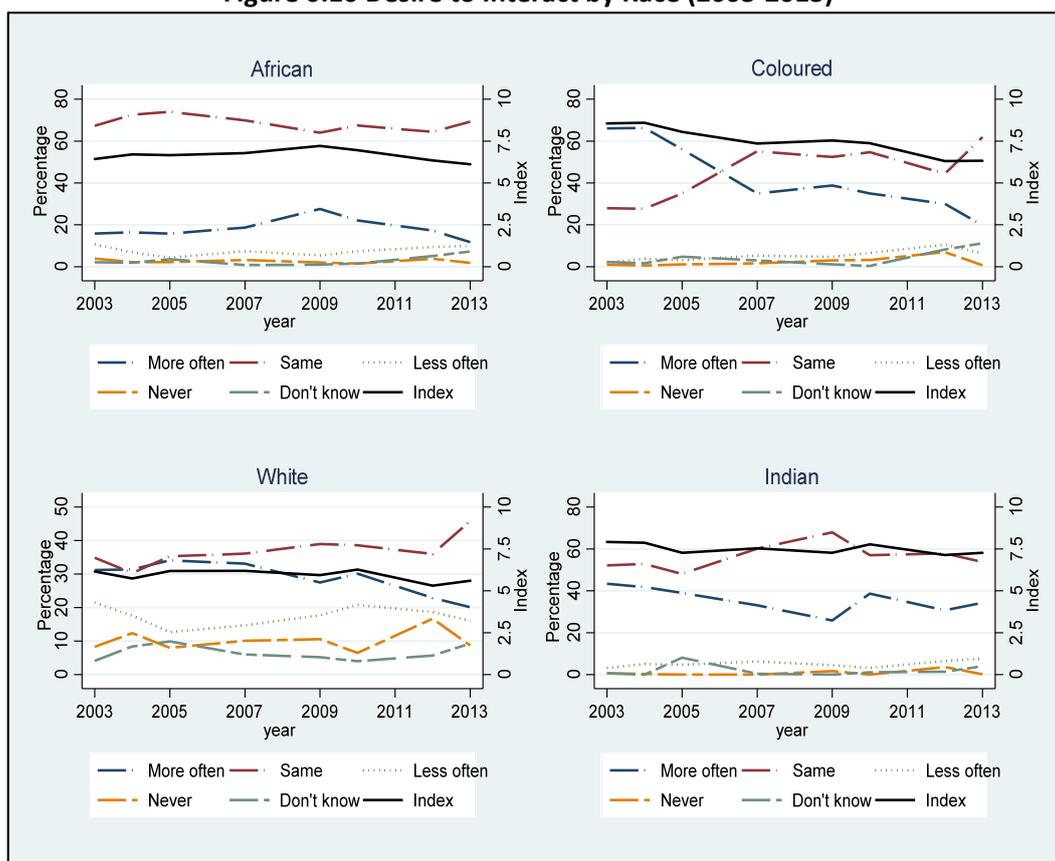
Source: Own calculations from weighted SARBS (2003-2013)

The decline in the desire to engage in inter-racial interactions over the last decade could be a response to a rise in frustration and disappointment about: (a) poor service delivery, particularly to the poorest, who are still overwhelmingly Africans; (b) massive unemployment, from which younger generations in particular suffer; and (c) the perceived inability of the political leadership to address the exceptionally high racial inequality (see Hofmeyr, 2008 and 2011). Indeed, we have witnessed a wave of demonstrations demanding better service delivery across the country during this period.

4.2 Correlation between inter-racial socialization and inequality
It would be entirely reasonable to conjecture that a rise in inequality is at least in part responsible for the decline in the extent of inter-racial socialization as posited in the paragraph above. Indeed, as reported earlier, the SARBS 2017 reports that inequality is cited as a principle reason for social division by more South Africans than any other variables, including race and ethnicity.

But which aspects of inequality are most critical in influencing social contestation? Table 4.1 below is intended to answer this question. It indicates direction of change in inequality from 1993 to 2008 and from 2008 to 2015, for vertical inequality, horizontal inequality and intra-group inequality separately, and for income inequality and life satisfaction inequality. Each mark represents a collective assessment of a few relevant measures discussed above. Marks for inequality and those for inter-racial social interactions are colour-coordinated, namely, a rise in inequality and a fall in inter-racial social interactions are marked by X in red, while a fall in inequality and an increase in inter-racial social interactions are marked by a star in green.

Table 0.1 Inequality and Inter-Racial Social Interactions, (1993 -— 2015)

	1993 ➡ 2008	2008 ➡ 2015	1993 ➡ 2015
Income			
Vertical Inequality	✖ (red)	★ (green)	⬌ (yellow)
Horizontal Inequality	★ (green)	★ (green)	★ (green)
Intra-group inequality	✖ (red)	★ (green)	✖ (red)
Life Satisfaction			
Vertical Inequality	⬌ (yellow)	★ (green)	★ (green)
Horizontal Inequality	★ (green)	✖ (red)	⬌ (yellow)
Intra-group inequality	★ (green)	★ (green)	★ (green)
Level	★ (green)	✖ (red)	★ (green)
	2003 ➡ 2008	2008 ➡ 2015	2003 ➡ 2015
Cross-identity social interactions	★ (green)	✖ (red)	

Notes: X in Red means an increase in inequality and a decline in inter-racial social interactions. Green star means a fall in inequality and an increase in inter-racial social interactions.

A few observations are in order: first, in general, income inequality indicators and life satisfaction inequality indicators did not move in the same direction during 1993 – 2015. This means that there were some factors, other than income, that dominated people's assessment of life satisfaction. Euphoria about the re-birth of the country in 1994, excitement about hosting the football world cup or disappointment in government performance are some of the examples of those factors.

Second, for 2008 to 2015, for which comparable data are available, income inequality does not correlate with inter-racial social interaction, except that the direction of change of horizontal inequality is ambiguous. In contrast, life satisfaction inequality indicators correlate with inter-racial social interactions correctly, except intra-group inequality.

Third, it is necessary to go beyond these indicators and identify "inequality hotspots" to better capture impact on inequality on social contestation.

The authors of this paper, together with two other researchers, have tested correlation between inequality and inter-racial interactions with regression analyses using a different data set, where the inequality variable was confined to perceived inequality (David et al., 2018). The regression model

has the frequency of inter- racial interactions as the dependent variable, and perceived inequality, race, trust, living standard and a few other personal characteristics as independent variables. Results confirm a positive relation between perceived equality and the frequency of inter-racial socialization; e.g., individuals who perceive that inequality improved engage in inter-racial socialization more than those who perceive that inequality remained unchanged. On the other hand, no significant correlation was found with regard to the desire to engage in inter-racial interactions.

It should be noted that many historians object to a regression analysis such as the one cited in the paragraph above. They cite the constructiveness of ethnicity and argue that it is wrong to adopt race or ethnicity as an independent variable because it is the character of race or ethnicity – not the race or the ethnicity per se - that influences people's attitude toward inter-racial social interactions; such character is determined by the circumstances that include trust, living conditions and other variables that are typically included as independent variables. The above observation does not negate the value of regression analysis, but rather, call on researchers and readers to be mindful of interdependence of variables included in a regression model, and to interpret regression results with care.

5. Conclusion

South Africa remains a divided nation and far from "a nation united in diversity" that was the ideal enshrined in its 1996 constitution. This paper has offered some evidence that South Africans became less inward-looking and less exclusive of people in other race groups during the early years of post-Apartheid period but have reversed this accomplishment over the last ten years.

A central conclusion of this paper is that the South African society is still shot through with inequalities no matter what happened to the national trend in income or asset inequality. Inequality needs to be assessed in its entirety; vertical and horizontal; ethnic and racial; class and profession; spatial and time series; and measured by income and by the quality of life. Moreover, it is crucial to look closely into inequalities within individual racial and ethnic groups, at disparities between some of those groups, and at sufficiently small jurisdictions. Such textured analyses will allow us to identify "inequality hot spots", which need to be addressed if a more cohesive society is to be nurtured in the country.

People see income inequality in their daily lives. For example, the earnings gap has been increasing in factories. (This is one of the manifestations of rising within-group inequalities). Such material inequality is at the heart of people's daily lives rather than any national Gini coefficient. Thus, even if this national Gini goes down, people will see inequality as increasing and this is not incorrect. It is this inequality that dominates any relationship that we must attempt to pick up in the data between income inequality and other variables, and in the assessment of life satisfaction.

What then are the prospects for South Africa to become less fractious or what could be done to become so?

First, address decisively inequalities between and within race and ethnic groups. "Which one occupies one's mind most and motivates behavior varies over time. An identity may be a productive, inclusive instinct or a destructive exclusive sense of belonging, depending on the circumstances at that time. The history of the African continent shows that ethnic hostility often stems from 'horizontal' inequalities in wealth, power, education or reputation, since ethnic groups generally retain regional homelands. Changes in social differentiation or 'vertical inequality' within an ethnic group can also cause internal conflict and stress, which may foster external aggression' (Lonsdale,

2012, pp.21-2). In the South African context, race is as much a part of the social fabric as ethnicity, given the country's history and the fact that memory of injustice endures decades or even centuries.

It is instructive, as argued by Bundy (2016), that the Union of South Africa government completely eliminated poverty from Afrikaners through large scale public works programmes, education and other public services and other decisive measures during 1910 to 1942. Consequently, the inequality between the Afrikaners and the British narrowed although regrettably at the expense of ethnicities of African origin. It may not be realistic to expect similarly ambitious yet socially just programs, this time, to eliminate poverty from Africans/Blacks. However, decisive measures targeted at "inequality hotspots" are certainly warranted and feasible.

Second, dig beyond a macro picture. Inequality in South Africa is complex. It is deeply rooted in history and society as well as geography. As briefly summarized in this chapter, a complex web of inequalities began to emerge when polities started to develop centuries ago in what was essentially a tribal society. The complexity was magnified, and the inequalities deepened through colonialization, slave trade, the discoveries of gold and diamonds, industrialization, government policies of racial and ethnic discrimination, and, more recently, globalization. Given this complexity, it is not enough to highlight one element of many important aspects of inequality in a society such as the Gini coefficient of the national income distribution or even a multi-dimensional inequality index in isolation. It is striking that income inequality and life satisfaction inequality indicators often moved in opposite directions during the last 20 years.

Third, foster a common citizenry, a national identity, which will be based on a shared belief that state institutions will assure equal rights irrespective of the identity of the persons concerned. It will also be based on shared values such as those cherished in the 1996 constitution as well as mutual respect for cultural and other differences. In other words, trust between identity groups and a common sense of belonging will need to be mediated by institutions, rather than personal patronage or kinship.

Fostering such a common citizenry will not be an easy task. More than one half of South Africans consider that their primary identity is very important, and about three quarters consider so because the identity makes him/her feel important and secure (Potgieter, 2017, p.15). Moreover, South Africans are well known for the 'sharply declining radius of trust' (Mattes, 2014). More than 60% of South Africans trust their relatives, but this ratio falls to only 20% when it comes to trusting people of other races or languages (Potgieter, 2017, p.44). The end of Apartheid and birth of democracy may have been an opportunity to cultivate a national identity based on a common citizenry. The hope faded as the government policy cemented race in institutions in the post-Apartheid South Africa, ironically to bring about greater equality for the Africans/Blacks. In 2004 – 2005, nearly 80% of South Africans considered it desirable to create a united South Africa but the proportion of such South Africans declined substantially since (Potgieter, 2017, p.16).

However, there are encouraging signs in this regard. According to the Afrobarometer survey of 2011, 12% of South Africans consider the neighbourhood where they live as their primary identity while another 8.8% cite 'economic class' as their primary identity (Mattes, 2012). This suggests the emergence of a group of individuals who earn more than enough to merely survive, and value a unified lifestyle of a shared ensemble of choices about people, things and practices, i.e., a "middle class habitus" (Chipkin, 2014).

Indeed, a number of gated communities and other residential developments have emerged where individuals who share such middleclass habitus live in a new post-Apartheid 'community'. Around one million people had moved into those complexes by 2013 that cater for the upper working class

and lower middle class. These complexes tend to be very diverse demographically, with young white Afrikaners and young blacks moving into these diverse, linguistically and racially mixed complexes. These individuals coexist and are all members of the body corporate which govern the community (Chipkin, 2014).

In those middle-class communities, members are not governed by the traditional norms of social interactions. Rather, body corporates produce the social behavior compliant with regulations and mediate potential conflicts. Members are not bonded with each other by kinship, race or ethnicity. Rather, they are connected through subscription to a common code of conduct stipulated by the body corporates. Members trust others in the community because of the shared background and their belief in the ability of body corporates to regulate and maintain the neighbourhood they live. In other words, key constituents of social cohesion - trust, bond and identity - are mediated by institutions. As middleclass grows, more people will likely coalesce on this identity, 'middleclass habitus'.

These communities or local societies are still by far the exception rather than the rule. Most suburbs, schools, health facilities and churches today still bear the legacies of apartheid's racial and ethnic demarcations. This has real consequences in terms of the attitudes and approaches South Africans carry into the workplace and their broader lives. This lived experience is articulated in the surveys as a lack of trust and/or a lack of commitment to forging a new South Africa. Nevertheless, these gated communities signify that democratic institutions can transcend race or ethnicities in building trust, bonding social relations and engendering common citizenry. It is such dynamics in the South African society that leads us to a hopeful conclusion that a common citizenry, a new national identity, may emerge out of new generations of middle-class South Africans.

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Appendix

Table 0.2 Inequality Indices of Per Capita Income, National and by Race Group (1993-2015)

inequality index	Overall	African/Black	Coloured	Indian/Asian	White	within	%	Between	%
1993									
GE(0)	0.94	0.6	0.53	0.4	0.36	0.55	58.5	0.39	41.5
GE(1)	0.92	0.58	0.76	0.46	0.37	0.47	51.2	0.45	48.8
Gini	0.67	0.56	0.52	0.46	0.43				
2008									
GE(0)	1.05	0.82	0.81	0.96	0.51	0.79	74.6	0.27	25.4
GE(1)	1.02	0.89	0.7	0.69	0.46	0.68	66.8	0.34	33.2
Gini	0.7	0.64	0.59	0.61	0.51				
2015									
GE(0)	0.91	0.68	0.56	0.7	0.83	0.68	75.1	0.23	24.9
GE(1)	1.19	0.74	0.66	0.64	1.18	0.89	74.9	0.3	25.1
Gini	0.678	0.6	0.558	0.597	0.651				

Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).
Note: All incomes inflated to 2015 prices.

Table 0.3 Income Gini Coefficients by Ethnicity in South Africa (1993-2015)

Group	1993	2008	2015
Population	0.667	0.698	0.678
IsiNdebele	0.432	0.651	0.476
IsiXhosa	0.575	0.609	0.596
IsiZulu	0.538	0.596	0.568
Sepedi	0.583	0.675	0.593
Sesotho	0.549	0.573	0.557
Setswana	0.501	0.592	0.605
SiSwati	0.554	0.607	0.635
Tshivenda	0.550	0.807	0.674
Xitsonga	0.557	0.653	0.535
Afrikaans	0.556	0.604	0.619
English	0.492	0.611	0.715

Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).
Note: All incomes inflated to 2015 prices.

Table 0.4 Life Satisfaction Gini Estimates by Race and Ethnicity,1993-2015

Population Group	1993	2008	2015
Population	0.317	0.257	0.242
Races			
African	0.328	0.275	0.248
Coloured	0.265	0.199	0.201
Indian	0.204	0.199	0.194
White	0.164	0.141	0.182
Ethnicity			
IsiXhosa	0.299	0.268	0.227
IsiZulu	0.321	0.31	0.261
Sepedi	0.333	0.255	0.235
Sotho/Tswana	0.347	0.26	0.235
Afrikaans	0.221	0.18	0.203
English	0.189	0.171	0.176
All others	0.32	0.236	0.293

Source: Own calculations from weighted PSLSD (1993) and NIDS (2008; 2015).

SALDRU

Southern Africa Labour and Development Research Unit

The Southern Africa Labour and Development Research Unit (SALDRU) conducts research directed at improving the well-being of South Africa's poor. It was established in 1975. Over the next two decades the unit's research played a central role in documenting the human costs of apartheid. Key projects from this period included the Farm Labour Conference (1976), the Economics of Health Care Conference (1978), and the Second Carnegie Enquiry into Poverty and Development in South Africa (1983-86). At the urging of the African National Congress, from 1992-1994 SALDRU and the World Bank coordinated the Project for Statistics on Living Standards and Development (PSLSD). This project provide baseline data for the implementation of post-apartheid socio-economic policies through South Africa's first non-racial national sample survey.

In the post-apartheid period, SALDRU has continued to gather data and conduct research directed at informing and assessing anti-poverty policy. In line with its historical contribution, SALDRU's researchers continue to conduct research detailing changing patterns of well-being in South Africa and assessing the impact of government policy on the poor. Current research work falls into the following research themes: post-apartheid poverty; employment and migration dynamics; family support structures in an era of rapid social change; public works and public infrastructure programmes, financial strategies of the poor; common property resources and the poor. Key survey projects include the Langeberg Integrated Family Survey (1999), the Khayelitsha/Mitchell's Plain Survey (2000), the ongoing Cape Area Panel Study (2001-) and the Financial Diaries Project.

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