

Demand for Redistribution in South Africa

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Abstract

This paper studies changes in demand for redistribution in South Africa between 1996 and 2001 (and 2007) based on data from the World Values Survey. In this period, mean demand for redistribution of Black South Africans decreased by almost one point on a 1-10 scale, a magnitude comparable to the difference between Finnish and U.S. demand for redistribution. This decrease concerns both poor and rich Blacks, with the largest absolute fall coming from the (few) black rich. We then explore whether a number of potential explanations are consistent with the observed changes. There was no increase in redistribution or employment prospects in this period that could account for the overall decrease in demand. However, we find that increased prospects for upward mobility for university educated blacks are consistent with the decrease of demand for richer blacks. For the poor, two potential explanations are consistent with our data. A first is based on the idea that the relevant reference group for determining demand in South Africa is not the whole nation but one's "race" group. In this way, improvements in the overall quality of life for Blacks between 1996 and 2001 relative to other groups could have dampened demand. A second concerns the impact of a changing ANC discourse from redistribution to growth in the mid-1990s. Focusing on African Blacks, we find that in 1996 demand of ANC supporters was higher than of non-supporters whereas in 2001 it was lower. The demand of trade union members – whose leaders had not changed their discourse on redistribution - remained constant.