

Is Inequality Inevitable?

A Survey Experiment on Demand for Redistribution in South Africa

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Abstract

Recent evidence has shown that demand for redistribution does not react to inequality as predicted by basic political economy models. High inequality countries tend to display low redistribution. Based on social psychology theories, this paper proposes a channel that could help explain this apparent contradiction: if citizens believe that high inequality is inevitable and cannot be changed, they may become resigned and demobilized, demanding little redistribution as a way to cope with such situation. We examine this argument with a survey experiment in South Africa. To communicate the idea that the inequality they experience need not be so high, we provide an “international” information treatment that shows inequality in South Africa together with much lower levels of inequality in other countries. A placebo “local” treatment shows inequality within the country alone. The international treatment (but not the local one) reduces perceptions that inequality is inevitable and, in turn, leads to higher demand for redistribution. The pattern is present in different relevant subsamples. We consider, and rule out, some alternative explanations for these findings.

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1 Introduction

The rise in inequality in a large number of countries in recent decades has renewed academic interest in income redistribution. An important area of research has concerned the effect of inequality on redistribution. In the standard “median voter” framework, increasing inequality should lead to higher demand for redistribution and, ultimately, to more observed redistribution (Meltzer and Richard 1981). Increasing or high levels of inequality would thus be tempered by consequently high redistribution that would prevent inequality from persisting at very high levels.

However, evidence in favor of such mechanism has been scarce. The recent increases in inequality have not been followed by consequent increases in (demand for) redistribution (Luttig 2013; McCall 2013). More generally, citizens in countries with higher levels of inequality do not appear to demand higher redistribution (Alesina and Giuliano 2011; Kenworthy and McCall 2008). In fact, inequality has often been observed to persist at high levels, particularly in middle income countries, giving rise to the concept of “inequality trap” (Bourguignon, Ferreira and Walton 2007).

A recent strand of literature addressing this disconnect between inequality and demand for redistribution investigates the role of income and inequality-related information for demand for redistribution with survey experiments. Demand for redistribution may fail to react to inequality because households are not aware of their true position in the income distribution (Cruces, Perez-Truglia and Tetaz 2013), or of the true levels and changes in income inequality (Kuziemko, Norton, Saez and Stantcheva 2015). Kuziemko et al. (2015), in particular, obtain an important and puzzling result: providing information on the increase in income inequality in the US leads respondents to perceive inequality as a more serious problem, but does not affect tax policy preferences.

This paper examines a novel behavioural mechanism whereby demand for redistribution may fail to increase with inequality. This mechanism is based on the role of perceptions about the *changeability/inevitability* of the status quo. If citizens believe that high inequality is inevitable and cannot be changed, they may become resigned and demobilized, demanding little redistribution as a way to cope with such situation. This type of mechanism is likely to be of importance particularly in high inequality settings. We examine this mechanism via a survey experiment in South Africa where we provide respondents with different types of information.

The importance of perceptions of efficacy and changeability to generate actions for social change is relatively straightforward. The success of slogans such as Barack Obama’s “Yes we can”, or the Spanish “Podemos” (“We can”) testifies to this. Recent studies in social psychology, inspired by 1980s social movement theory, argue indeed that inequality and grievances are not enough to push individuals to mobilize for social change; they need to feel that the situation can be changed (Klandermans 1984; Van Zomeren, Postmes and Spears 2008). Moreover, perceptions of inevitability can lead, not only to inaction, but also to a

variety of psychological reactions that serve as coping mechanisms and that consolidate such inaction. A large psychology literature on “coping” argues that problematic situations deemed “unchangeable” are likely to generate reactions ranging from becoming “resigned” to altering ones beliefs and values so that the unchangeable problematic situation becomes less emotionally costly. The “system justification” theory of social psychology applies these and other insights to the problem of disadvantage, arguing that disadvantaged individuals often react to their disadvantage by justifying the status quo. Recent studies have shown that such “system justification” is activated particularly in cases where the situation is deemed unchangeable (Johnson and Fujita 2012).

Thus, poor individuals facing a situation of chronic inequality that appears to be unchangeable may cope with this situation by becoming demobilized and resigned. This may lead them to limit their demand for redistribution by minimizing redistribution’s relevance, or by even actively justifying the status quo and legitimizing social inequalities.

In order to probe this mechanism, we undertake a survey experiment in three low-income South African townships. The case of South Africa is particularly suitable due to its historical legacy of high inequality, which has moreover persisted despite democratization in the 1990s. Possibly for this reason, we find that beliefs about the inevitability of high inequality appear to be entrenched in our sample: more than half of respondents in our control group agree with the statement that the high levels of inequality in the country are inevitable. While we do not have comparable statistics from other countries, this seems to indicate an astounding pervasiveness. In addition, more than half of respondents in the control group believe that the rich in South Africa deserve their high incomes, a staggering figure considering the explicitly discriminatory origin of such inequality. It is therefore plausible that a sense of inevitability of inequality might have carried over to justifying existing inequalities. Finally, and consistent with our conjecture, South Africa displays only average levels of demand for redistribution despite the high inequality levels. The survey experiment was conducted in two waves in 2014 and 2015 and includes “African Black” and “Coloured” townships, as well as formal and informal settlements.

We manipulate perceptions of *inevitability* of inequality by providing a random subset of respondents with information on South African inequality in comparative perspective (“international” information treatment). The treatment shows how inequality in South Africa is unusually high relative to other (including neighboring) countries. By providing these lower inequality benchmarks, we attempt to increase respondents’ perception that very high inequality is not a fact of life. Indeed, we show that providing this information treatment reduces the chances of answering that the high inequality *in South Africa* is inevitable by more than 10 pp.

Providing information on the high inequality of South Africa in comparative perspective may trigger a variety of responses in addition to affecting perceptions of inevitability. We thus consider a “placebo” treatment, where we provide information on the high inequality in South Africa without comparison with other

countries (“local” information treatment). This treatment consists mainly on showing differences in income and asset ownership across various neighborhoods of Cape Town. We find that it has no effect on inevitability perceptions.

Our results suggest that inevitability perceptions can help explain demand for redistribution. We use as main outcome variable an index of redistributive preferences that includes opinions about increasing/ decreasing taxes for the rich, introducing a basic income grant, and increasing general taxation in order to provide public services. We find that the “international” treatment leads to an increase in support for redistribution. Providing local information, in contrast, does not affect redistributive policy preferences. Moreover, we find that this pattern is present in different subsamples: “African Black” and “Coloured” townships as well as the 2014 and 2015 waves separately. We also explore the degree to which our treatment effects translate into behavioral responses in addition to mere stated opinions. We offer respondents the possibility to sign a petition or send an SMS in favor of or against two redistributive policies. The empirical results show that our effects carry over to signing a petition.

The fact that the “international” information affects tax preferences while the “local” information does not, suggests that the results are driven by observing that the large levels of inequality in South Africa are an exception and therefore not inevitable. Our empirical strategy controls for confounds such as learning that inequality in South Africa is higher than expected. In both treatments we ask respondents to guess the extent of inequality before showing the true value and in both cases respondents underestimate the true value to a similar extent. This approach also alleviates concerns that respondents might simply wish to “agree” or please the interviewer. Providing information on inequality may signal respondents that statements against inequality are sought by interviewers. The fact that policy preferences do not respond to the local information treatment, however, suggests that this explanation is less plausible.

Nevertheless, the “international” information treatment does differ from the “local” information treatment in several respects other than inevitability and thus is not a perfect “placebo”. We address this in a number of ways. First, for the 2015 wave, we also provided a treatment with information on South African income inequality identical to the “international” treatment, but no comparison to other countries is shown. This treatment has no impact on perceptions of inevitability or on tax preferences suggesting that, indeed, it is the mere fact of putting South African inequality in comparative perspective that affects these variables. Second, being exposed to information on South African inequality in comparative perspective could trigger thoughts on the exceptionality of South African legacy of racial inequality. This may lead in turn to an activation of historical grievances that could drive individuals to demand more redistribution irrespective of feelings of inevitability. We thus check if our treatments make racial considerations salient. Using two distinct questions regarding race we find no evidence that the international treatment triggers racial considerations more strongly than the “local” information treatment. If anything, it is the local treatment that appears to trigger racial considerations slightly more. It is of

course still possible that providing information on the much lower inequality in other countries affects some other unobserved factor that correlates with both inevitability and redistributive preferences, but we are at least able to exclude some prominent alternative explanations. We believe that our proposed explanation that the international information reduces the sense of inevitability of inequality is the most plausible.

The type of behavioural mechanism examined in this paper has recently appeared in a variety of political-economy settings. Most closely related, Trump (2013) and Trump and White (2015) examine system justification theory in the context of evaluations of the legitimacy of inequality.¹ Also, a few recent studies in the literature on political accountability have made use of similar insights to those in this paper regarding the role of inevitability and resignation. In a context where corruption is high or expectations on politicians are low, providing information on politicians (mal)performance or corruption is in itself insufficient to affect voting behavior or stimulate political interest and might instead lead to “apathy” or “resignation” ((Gottlieb 2015; Bauhr and Grimes 2014)

Our results complement the evidence on the role of inequality information for demand for redistribution in the US (Kuziemko et al. 2015). We corroborate the finding that providing information on domestic inequality raises participants’ concerns about inequality, but does not translate into tax preferences. Emerging as it does in a vastly different context, our evidence provides support for the external validity of these findings. Our main argument on the importance of inevitability perceptions might provide a possible answer to this puzzle: our results suggests that information alone is insufficient to affect policy preferences; a sense of agency regarding the possibility to effect change may also be necessary.

Moreover, our findings are relevant to the literature on inequality persistence and inequality traps. Several political economy mechanisms that generate such traps have been proposed (Bénabou 2000; Pellicer 2009). The mechanism proposed in this paper would naturally give rise to an inequality trap. High and persistent inequality may breed a sense of inevitability, resignation and possibly system justification which may depress demand for redistribution, thus consolidating the high and persistent levels of inequality.

The rest of the paper is organized as follows. Section 2 gives a short background of inequality and demand for redistribution in South Africa. Section 3 spells out the conceptual framework. Section 4 describes the survey experiment and its design, while section 5 presents the data and descriptive statistics. Section 6 shows the results and section 7 concludes.

¹See also Bénabou and Tirole (2006) for a theoretical model that incorporates the mitigating role of just world beliefs for demand for redistribution.

2 Inequality and Demand for Redistribution in South Africa

South Africa is one of the most unequal countries in the world. According to seminal political economy models this should lead to high levels of (demand for) redistribution. Such levels should be particularly high in post-Apartheid South Africa considering that the origins of present-day inequality lie in a colonial history and Apartheid institutional arrangements where a white minority enriched itself by denying political and economic rights to a black majority.

The African National Congress (ANC) that came to power after the end of Apartheid, and has governed with large majorities for the past two decades, only initially made a strong emphasis on redistributive justice. In 1994, it was elected on a redistribution platform embodied by the Reconstruction and Development Program (RDP) (Nattrass and Seekings 2001), but already in 1996, the government presented a new economic policy strategy called “Growth, Employment, and Redistribution” (GEAR) (Michie and Padayachee 1998). GEAR’s main emphasis – and the dominant economic policy discourse since its inception – was growth and employment.² In practice, most of the ANC’s social policies have focused on the rolling out of social grants, such as the old age pension and the child support grant, on which a large fraction of the population depends to make ends meet. These policies have successfully decreased poverty. Fiscal redistribution is, however, only slightly above the low Latin American levels (Leibbrandt, Wegner and Finn 2011).³ In turn, the income distribution remained largely unaffected (Leibbrandt, Woolard, Finn and Argent 2010). Moreover, inequality continues to follow the Apartheid pattern with the white minority predominantly occupying the top decile, followed by the Indians, the Coloureds, and the African blacks at the bottom.⁴ From the point of view of low income South Africans, inequality must thus appear highly entrenched. Not only has inequality little traction in elite discourses but has also remained virtually unchanged since the democratic transition.

Against this background, it appears puzzling that demand for redistribution in South Africa is relatively low. Inspecting two variables from the 2007 World

²Only since 2013, there has been some discussion in the ANC leadership regarding the need for a “second transition”, implying that the transition in 1994 had been a political transition only. At least partly, this is due to the emergence of the “Economic Freedom Fighters” (EFF), a new party founded in 2013 by Julius Malema, a former leader of the ANC’s Youth League, which aims to mobilize the large numbers of unemployed youth. The EFF questions strongly the post-Apartheid economic policies and demands the nationalization of mines as well as the redistribution of land without compensation. In the 2014 general elections, the EFF won 25 seats in parliament (out of 400) with around 1 million votes.

³Leibbrandt, Wegner and Finn (2011) find that taxes and transfers decreased the Gini coefficient by around five points, which is only slightly better than redistribution in Latin America, where the average is a decrease of 2 percentage points for Argentina, Brazil, Chile, Colombia, and Mexico (Goñi, Humberto López and Servén 2011). In contrast, in Europe the figure is close to 20 (ibid.)

⁴An increase in intra-group inequality has been the only notable distributional change since the transition to democracy (Leibbrandt et al. 2010)

Value Survey that are typically used in cross-country studies on demand for redistribution reveals that South African demand is generally comparable to the global average and in fact lower than in other non-OECD countries (see Table 1).⁵ Although an increasing number of service delivery protests suggests dissatisfaction with government performance (Alexander 2010; De Juan and Wegner 2015), such dissatisfaction apparently has not translated into an increased demand for redistribution. This mixed picture was also confirmed in focus group discussions that were carried out by the authors between June and October 2012 in preparation for this study. Although respondents were generally disappointed by the small economic returns of the democratic transition, they largely demanded jobs from the government, not redistribution through progressive taxation.

Table 1: Demand for Redistribution in the World Values Survey

	Incomes more equal	Governments provide for the poor
South Africa	4.5	6.1
Non-OECD	5.1	6.3
OECD	4.3	5.7
Total	4.9	6.1

Data from the 2005-2007 Wave. Number of Countries=57. Weights used.

Both variables range from 1 to 10. Higher values imply more demand.

3 Conceptual Framework

The idea that perceptions of changeability/inevitability ought to affect decision-making is straightforward. An individual facing the possibility to engage in mobilization against inequality will be more inclined to do so the higher is the probability of success. In the extreme, if inequality is perceived as inevitable, such course of action would in principle not be rational.

However, perceptions of inevitability can have psychological effects above and beyond this straightforward mechanism; psychological effects that in turn serve to cement such inaction. The key to these additional effects is the notion of “coping”; i.e. of how individuals cope with difficult, stressful or problematic situations. Perceiving that inequality is inevitable and cannot be changed leads to psychological reactions ranging from becoming “resigned”, to justifying the status-quo and even to justifying existing inequalities as coping mechanisms.

A large literature on the topic of “coping” has emerged in the field of psychology since the 1970s (see Folkman and Moskowitz (2004) for a review). This

⁵The questions we refer to in the World Value Survey elicit respondents’ view on the following statements: (i) incomes should be made more equal VS. we need larger income differences as incentives for individual effort; and (ii) the government should take more responsibility to ensure that everyone is provided for VS. people should take more responsibility to provide for themselves.

literature distinguishes between two main ways of coping with problematic situations. The first is through “problem-focused coping”, which entails *acting* to alter the problematic situation. The second, equally important, is through “emotion-focused coping”, which involves regulating the *emotional responses* to the situation (Folkman and Lazarus 1980).

Intuitively, when situations are deemed to be *unchangeable*, coping mechanisms are most likely to be emotion-focused rather than problem-focused (Lazarus and Folkman 1984). Emotional coping in such instances often involves reappraising and altering the meaning of problematic situations, for example, by minimizing the problem or attributing positive values to negative events, i.e. becoming “resigned”. As Smith and Lazarus (1990) argue: “... irremedial harms produc[e] corresponding emotional changes from hope to sadness or resignation” (p. 628). In addition, reactions can also involve altering personal beliefs and values: “In the face of a seemingly intractable unpleasant person-environment relationship, one can also give up cherished personal goals and values so that the encounter is no longer appraised as relevant to well being, and it no longer has the power to evoke strong emotion” (p. 629). This type of reactions is related to the notion of “cognitive dissonance”: if action is seen as impracticable, the incongruence between inaction and values/ desires leads to an alteration of such values and desires (see Mullainathan and Washington (2009) for an application in the economics literature).

A strand of literature within social psychology uses these and other ideas to bear on how disadvantaged individuals cope with their disadvantage. This has resulted in the theory of “system justification”. This theory argues that disadvantaged individuals may engage in a form of belief-altering emotional coping that involves justifying and even legitimizing the status quo (Jost, Pelham, Sheldon and Sullivan 2003; Jost, Banaji and Nosek 2004).

Using lab experiments with college students, studies within this literature have shown that “system justification” and beliefs of changeability and efficacy are linked. In particular, it has been shown that “system justification” is activated when individuals believe that attempts to change the system are futile (Jost and Burgess 2000; Major and Schmader 2001). For instance, in a recent contribution, (Johnson and Fujita 2012) show that when individuals believe that the system can be reformed they will try to improve or challenge the status quo, as opposed to justifying it. Relatedly, Toorn, Feinberg, Jost, Kay, Tyler, Willer and Wilmuth (2015) have shown using a variety of methods (observational studies and laboratory experiments) that “system justification” is activated particularly when individuals feel powerless.

There are two important implications from these insights for the relationship between inequality and demand for redistribution. First, a situation of high and persistent inequality - i.e. a situation where inequality appears difficult to change - could provoke emotional forms of coping with individuals becoming resigned or even justifying or legitimizing the status quo. This, in turn, would lower individuals’ demand for redistribution. The perception that the situation is impossible to change could be thus an important factor explaining the low demand

for redistribution in a high inequality country such as South Africa. Second, and closely related, in order for emotional coping to convert into “problem-focused coping”, perceptions of changeability would need to increase. In other words, when inequality appears less inevitable emotional coping becomes less necessary and demand for redistribution could increase. It is this relationship between perceptions of inevitability and demand for redistribution that this paper seeks to test.

4 The Survey

4.1 Data Collection

The data presented in this paper originate from a survey of 1,625 respondents in three low-income townships of the Cape Town metropolitan area. A first sample of 920 respondents was interviewed in March and April 2014 – just before the South African general elections in that year. A new sample of 705 respondents was administered the same questionnaire in March 2015. Across the two rounds, 1,073 respondents were surveyed in Khayelitsha, an overwhelmingly ‘African Black’ township, while the rest of the survey was conducted in Delft (301 respondents in 2014) and Mitchell’s Plain (251 respondents in 2015), which are mostly ‘Coloured’ areas.⁶

The overall goal of the survey was to obtain a sample of South Africans from an urban low-income setting. While representativity was not our key concern, we tried to avoid an overly peculiar sample. Our sampling strategy consisted of randomly drawing a set of Enumeration Areas in the three townships, and then let fieldworkers visit every 12th house in a random walk in the EA, which have around 200 households each. In Khayelitsha, EAs were stratified by formality.⁷

An English language questionnaire was developed first and translated into Xhosa and Afrikaans. Respondents could choose the questionnaire language at the beginning of the interview, which lasted between 25 to 30 minutes.⁸ Survey responses were captured on mobile devices and directly uploaded to the server after the completion of the interview together with the GPS location. This allowed for an immediate check of the accuracy of the interview location and

⁶The initial intention was to conduct the survey twice in the same areas to capture a possible influence of the elections on the treatment effects. However, since the concerned areas of Delft are relatively small, potential wave 2 respondents could have heard about the survey. For Khayelitsha, this was not an issue as the township is very large (about 400,000 residents, according to the most recent Census).

⁷Delft has some subplaces predominantly inhabited by Coloured people and others by African black people. We drew our EAs from the former (The Hague, Roosendal, Voorbrug and Eindhoven). Mitchell’s Plain is on average wealthier than Delft. To maximize comparability, we choose the poorest subplaces in Mitchell’s Plain in which safety of fieldworkers could be ensured (Eastridge and Beacon Valley).

⁸English, Xhosa, and Afrikaans are the most commonly-spoken languages in the Western Cape. A back translation was done with the feedback from fieldworkers. The surveyors’ population group corresponded to that of the respective interviewees.

monitoring of data quality.⁹

The questionnaire begins with a number of standard socio-demographic questions (marital status, household size, employment etc...) administered to all respondents. Random subsets of the sample are then exposed to different types of information/messages, which constitute our treatment arms. The third part of the questionnaire is again administered to all participants and it contains our main outcome variables as well as additional demographic questions.

4.2 Treatments

Both waves of the survey had two identical core treatments that will provide the key results in this paper. These treatments provided information on levels of local inequality in South Africa, and on inequality in South Africa in comparative perspective. The comparison to other countries is intended to affect changeability perceptions. An overview of the experimental design as well as the exact wording of the treatments are provided in the Appendix.

International Information Treatment

This treatment presents inequality in South Africa in comparison to other countries. We will refer to this as the “international” treatment. It shows the rich-poor ratio in South Africa, as well as in some other developing and Western nations. Importantly, it includes some of South Africa’s neighboring countries and shows that South Africa’s rich-poor ratio is by far the worst among the group presented. The treatment is constructed so that respondents first see the rich-poor ratio in different countries in form of a ladder and then are asked to guess the ladder’s length for South Africa. The last screen then shows the correct ladder for South Africa as shown in figure 1.¹⁰ While this treatment provides information about the inequality level in South Africa, the international perspective is intended to suggest that South Africa’s inequality is exceptional, and not a common occurrence (i.e. a “fact of life”). About half-way through the first wave, in order to increase power, we programmed a higher incidence of the international treatment into the survey. This change will be controlled for in each of the regressions in the empirical section below.

Local Information Treatments

The other treatment presents information on “local” inequality. We focus on differences between neighborhoods in Cape Town, known to local residents as comparatively rich or poor areas.

⁹Data collection was sub-contracted to a private survey company, while the authors provided fieldworkers’ training and debriefing. Other standard methods of ongoing data quality checks were also used, such as callbacks by the survey company.

¹⁰An initial screen defined the meaning of the ladders shown. Rich-poor ratios were calculated using data from the 2007-2008 Human Development Report by the UNDP. They refer to the top to bottom 20% income share ratio.

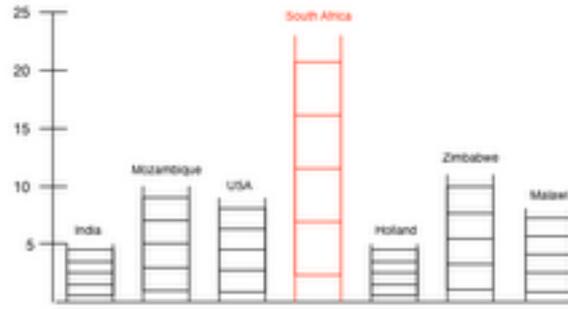


Figure 1: International Treatment

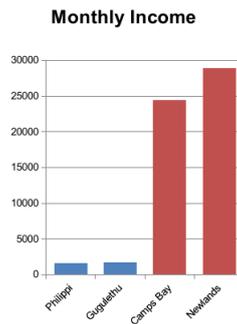


Figure 2: Example from local treatment

In a first step, participants were asked to guess the median income in a typically rich neighborhood of Cape Town in comparison to typically poor areas. Subsequently, they were shown the correct figures for all areas. In a second step, differences in ownership of assets (such computers, washing machines, etc.) in these neighborhoods were displayed. Notice that we did not include the respondent's own neighborhood in this information and that fieldworkers were instructed not to mention race when presenting the figures as the objective was not to think about one's own individual situation or about race discrimination but about inequality more generally. Figure 2 illustrates an example of this treatment.

We decided to base our local information treatment on differences in Cape Town neighbourhoods because we thought this would be easier for respondents to grasp. However, this came at a cost of comparability with the international treatment. Thus, in the 2015 wave, we added a further local information treatment providing information on inequality in terms of the rich-poor ratio in South Africa. As in the international treatment, the concept of the rich-poor ratio is initially explained with a ladder but, crucially, no references to international cases were provided. In a second step, respondents are asked to guess the value for South Africa, after which the South African ladder is shown. This treatment is thus identical to the international treatment - the only difference being the absent comparison to other countries.

The survey also provided an additional treatment with video messages of South African leaders on the need to fight inequality. Our intention was to further reduce the sense of inevitability of inequality via elite messages condemning inequality. However, manipulation checks showed that this treatment did not have effects either on beliefs that South African politicians care about decreasing inequality nor on inevitability and is therefore not discussed in the main text.¹¹ The description of the survey, the summary statistics and the results are therefore based solely on the information treatments described above. Results of the video treatments are provided in the Appendix.

5 Data

5.1 Descriptive Statistics

Table 2 shows some descriptive statistics for the different sample areas compared to data from the 2011 population Census, where available. As shown in Table 2, the key difference between our samples and the Census statistics in these areas is the larger number of women and unemployed among our respondents. This is probably due to men being more likely to be employed and absent from the dwelling during daytime. Although fieldworkers were asked to schedule appointments with the absent person in the household (if randomly selected for the interview by the mobile device), they were only asked to return to the house prior to sunset for security reasons.¹² The fraction of high school graduates (“matriic”) is roughly in line with the Census and so is the share of informal housing in Khayelitsha.

5.2 Outcome Variables

Table 3 shows the descriptive statistics for key outcome variables in the control group. It is divided by wave and population group (African Blacks in Khayelitsha, Coloureds in Delft and Mitchells Plain). Outcomes include attitudes towards inequality, policy preferences, “action” outcomes (where respondents could transmit their redistributive preferences to local politicians) and some additional outcome variables used in the analysis below. Unless otherwise stated, variables are coded as binary variables so that the values in Table 3 represent the shares favoring a certain position/action. The exact wording of the outcome questions is provided in the Appendix.

Attitudinal outcomes include a question on whether inequality in South Africa is seen a serious problem, as in Kuziemko et al. (2015). We also ask respondents about their views on whether the government should take more responsibility for the poor (coded as a scale from 1 to 10, and normalized to 0.1 to 1 for

¹¹This most likely reflects a very low level of credibility of some South African politicians.

¹²To improve the sex ratio in our survey, fieldworkers were instructed to do as many interviews as possible during the weekends but this was only partially possible because alcohol abuse is a common problem in townships in the weekend.

Table 2: Demographic characteristics by area

	Khayelitsha		Delft		Mitchells Plain	
	sample	census 2011	sample	census 2011	sample	census 2011
female	0.61	0.51	0.66	0.51	0.64	0.51
employed	0.31	0.40	0.38	0.38	0.18	0.42
age	37		40		46	
matric	0.32	0.35	0.20	0.19	0.21	0.18
informal housing	0.53	0.55	0.01	0.15	0.04	0.04
government grants	0.39		0.32		0.53	
N	1073		301		251	

The sample in Delft includes only subplaces with a predominantly coloured population (The Hague, Roosendal, Voorbrug and Eindhoven). The census figure, in contrast, uses information on all Coloureds in Delft, and thus includes Coloureds living in predominantly African black areas. This probably explains the difference in informal housing between the sample and the census figures. The Mitchells Plain sample was drawn only from the poorest subplaces for which fieldwork safety could be ensured (Eastridge and Beacon Valley).

comparability with other outcomes). Finally, we ask whether the high level of inequality in South Africa is seen as inevitable (as opposed to “could be made smaller”). This is the core attitudinal question meant to capture perceptions of “changeability”.

Tax policy preferences are elicited through questions about the respondents’ support for three hypothetical policy changes: (i) an increase/ decrease in the top marginal tax rate (coded as -1 , 1 , or 0 if the respondent supports reducing, increasing, or leaving the rate unchanged, respectively), (ii) the introduction of a universal basic income grant in South Africa, (iii) a general increase in taxation for all income groups to provide public goods such as schools, roads and sanitation.¹³ We then construct a *redistribution index* that simply averages across these variables.

“Action” outcomes include the option to send an SMS or to sign an online petition on the surveyor’s tablet. Both the petition and the SMS were pre-populated and allowed respondents to express their support (or disagreement) of tax increases for the rich and of the introduction of a basic income grant. Both actions bear a cost - the petition the cost of exposing oneself by signing one’s name, the SMS the material cost of sending the message. The item was randomized so as to avoid the possibility of virtually all respondents choosing

¹³A discussion about the introduction of a basic income grant has been going on for years in South Africa, whereas there is little public debate about raising taxes for top earners. Notice that this latter group starts with around 60,000 ZAR (about 5,000 USD) per month. As the concept of top marginal tax rate may be difficult to grasp, the question provides a simplified example (see Appendix for exact wording).

the petition (as this was free of charge).¹⁴

The table reports, first, the total shares of respondents taking an action irrespective of whether this action is in support or against the policy change (panel “Action Total”). As actions, we distinguish not only petitions and SMSs but also between those saying that they would send an SMS and those actually sending it. Second, the table reports the variables capturing the *progressivity* of different possible actions that we use as outcome variables. We construct variables by action type (petition, intended SMS, sent SMS) and policy (BIG, taxes). These variables take the value of zero for respondents that do not want to take an action, -1 for those wanting to take an action to transmit a regressive message (not introduce the BIG, decrease taxes for the rich), and 1 for those wanting to take an action to transmit progressive preferences.

Finally, we use other types of outcome variables in the analysis. First, two race-related variables to check if our treatments activate historical grievances; one is support for the introduction of an extra tax for white South Africans, proposed by the Nobel Peace Prize winner Desmond Tutu as a compensation for (dis)advantages resulting from Apartheid-era policies; and one offering a picture of an affluent house and asking whether the person living in such house would be a *white* person (as opposed to a *rich* person). Second, we consider questions that serve to disentangle between different potential channels through which inevitability might affect redistribution demand. These include questions on whether the rich in South Africa deserve their high incomes and questions to elicit preferred type of redistribution from politicians: either improving hospitals and/ or clinics in the neighborhood, paying a grant to the neighborhood residents, or receiving directly cash from the politician (the latter either because cash is needed “now” or because politicians are not trusted to honor their promises).

Some interesting insights emerge from the values of the outcome variables in the control group in Table 3. The first noticeable insight is the very high share (around 90 per cent) in all groups agreeing with the statement that inequality is a serious problem in South Africa. The fact that inequality in the country is something the vast majority of our respondents consider to be seriously problematic provides an interesting baseline scenario compared to previous surveys utilizing this question.¹⁵

The very high level of concern about inequality does not seem to translate in high shares of respondents who want to increase taxes for the rich. This suggests that attitudes/opinions about inequality may not be sufficient to generate redistributive tax preferences. In contrast to taxes, support for the basic income grant is much higher across all groups.

Regarding the action outcomes, the overall high share of respondents willing to take some form of action is remarkable. This suggests that the actions pro-

¹⁴The SMS was sent to a phone number belonging to the survey company with the indication that we would let local representatives know what share of our respondents were supporting certain policies.

¹⁵As a comparison, Kuziemko et al. (2015) find a control group mean of 28 percent stating that inequality is a serious problem in the United States.

Table 3: Outcome variables in the control group, by community and wave

	Total	African Black	Coloured	Wave 1	Wave 2
Attitudes					
Inq problem	0.92	0.90	0.93	0.88	0.94
Inq inevitable	0.50	0.50	0.50	0.47	0.52
Government responsibility	0.50	0.55	0.51	0.53	0.55
Policy preferences					
Redistribution index	0.36	0.31	0.46	0.33	0.40
Progressive top tax	0.10	-0.03	0.30	0.06	0.11
Basic income grant	0.62	0.56	0.78	0.59	0.68
Higher general taxes	0.34	0.38	0.32	0.34	0.38
Actions total					
Petition	0.75	0.70	0.87	0.66	0.87
Sms intended	0.55	0.50	0.75	0.43	0.75
Sms sent	0.21	0.20	0.30	0.13	0.34
Actions progressive					
Petition BIG	0.46	0.38	0.64	0.45	0.48
Sms intended BIG	0.38	0.29	0.58	0.30	0.48
Sms sent BIG	0.11	0.11	0.16	0.05	0.19
Petition top tax	0.06	-0.05	0.19	0.01	0.05
Sms intended top tax	0.07	0.01	0.13	0.01	0.10
Sms sent top tax	0.01	0.00	0.05	-0.03	0.06
Other outcomes					
Tax whites	0.36	0.39	0.23	0.31	0.37
House white	0.40	0.48	0.26	0.42	0.39
Rich deserve	0.62	0.60	0.66	0.65	0.60
Want clinics	0.73	0.77	0.75	0.70	0.82
Want grant	0.11	0.10	0.10	0.09	0.11
Want cash	0.16	0.13	0.15	0.21	0.06
...because doubt that politicians deliver	0.06	0.04	0.10	0.10	0.02
...because need cash now	0.09	0.09	0.05	0.11	0.04

All variables are coded as dummy variables except otherwise stated. Redistribution index is an average of the variables progressive top tax, basic income grant (BIG) and higher general taxes. Progressive top tax is coded as one, minus one and zero if respondent wishes this tax increased, decreased or unchanged. Sms intended refers to respondents stating that they would send an sms, while sms sent to those actually sending it. Actions Total has value one if respondent choose to undertake any action. Actions progressive assigns value one (minus one) if action is progressive (regressive), and zero otherwise. House white has value one if respondent answered an affluent house shown was inhabited by a white person as opposed to a rich one. Want clinics, want grants or want cash are dummies from a variable offering respondents which mode of redistribution they would wish from a politician, either to spend money to improve clinics and hospitals in the area, or providing a R150 grant to the neighborhood during one year or provide R50 in cash now. The two following variables ask to those that answer in the previous question why they would want cash now. These variables are coded to take value zero even if respondent choose clinics or grants.

posed by the survey resonate with the respondents. The willingness to sign a petition is substantially higher compared to sending an SMS, probably due to the difference in their material cost.¹⁶ The action in favor of introducing the BIG is vastly larger than for increasing top taxes. The large gap between the intention to send an SMS to express policy preferences and the actual transmission is also noticeable, highlighting the importance of introducing measurable behavioural outcomes.

Overall, the control group means on attitudes and policy preferences are similar across the two waves. The most noticeable difference is in the action outcomes, with the willingness to act being larger in the 2015 survey for all types of actions. The lower figures in 2014 could be related to the survey taking place in the heat of an election campaign, with respondents possibly being more careful or suspicious about getting in contact with politicians. Some differences are also apparent between the Mitchells Plain and Delft samples, which may be related to differences between the two townships with respect to average incomes and location.

Lastly, Table 3 shows some noteworthy differences between townships with respect to general tax increases and to taxing white South Africans. Compared to African black respondents, Coloured participants are less willing to support a general tax increase relative to a top tax rate increase. They are also less likely to support a ‘white tax’ and to believe that the house shown to them is inhabited by a white (as opposed to a rich) person, compared to African blacks. These patterns do not seem surprising. The preferences of different South African population groups emerge from different experiences and evaluations of Apartheid and post-Apartheid policies, as well as from differences in socio-economic status.¹⁷

6 Results

We estimate treatment effects by performing OLS regressions on two treatment dummies (“local” information and “international” information). These regressions use as controls wave-area indicator functions, formal dwelling, an indicator for the reweighing of treatments during wave 1 mentioned above as well as field-worker fixed effects. All regressions use robust standard errors. Randomization appears to have worked well (see Table A1 in the Appendix showing essentially no significant differences in socioeconomic characteristics by treatment arm). This was expected because the survey was carried out with mobile devices and the randomization was programmed into them.

¹⁶An additional reason might be the difference in action ‘type’ with a petition being more a civil society type of action and the SMS possibly requiring a higher level of trust in politicians.

¹⁷Coloured South Africans are generally more likely to be involved in formal labor markets and hence pay taxes. Also, about 75 percent of Coloured respondents in our survey express support for the Democratic Alliance, a party still widely perceived as a “white” party (compared to around 90 percent of the African black respondents supporting the ANC).

6.1 Attitudes

The treatment effects on attitudes towards inequality are shown in Table 4. The coefficient estimates in Column 1 show that information on inequality in both local and international perspectives generates an increase in the degree to which respondents view inequality as a serious problem. This result seems remarkable considering the very high control group mean for this question in our sample. In contrast, neither treatment affects attitudes on whether the government should take more responsibility to care for the poor.

Table 4: Attitudes towards inequality

	1	2	3
Local Info	0.033 (0.018)*	0.0072 (0.0133)	-0.014 (0.029)
International Info	0.049 (0.015)***	0.0100 (0.0151)	-0.116 (0.032)***
outcome	Inequality is a problem	Government responsibility	Inequality is inevitable
mean_ctrl	0.91	0.5	0.54
N	1521	1548	1514

Robust standard errors in parenthesis. Signif. codes: 0.01 '***' 0.05 '**' 0.1 '*'. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Controls are wave-area dummies, formal dwelling dummy, fieldworker dummies and a dummy for the reweighing of treatments during wave 1. All outcomes are dummy variables except Government responsibility, which is coded in a scale from 1 to 10, and subsequently normalized to lie between 0.1 and 1.

The most relevant results for our purposes concern the inevitability of inequality (Column 3). In line with our expectations, the local information on inequality does not affect perceptions of inevitability, but the international treatment does, and very strongly so. Respondents receiving international information are more than 10 percentage points less likely to think that high inequality *in South Africa* is inevitable after seeing the much lower income gaps in other countries. Exposure to such information thus appears to affect perceptions of changeability of the high inequality in the country.

6.2 Policy preferences

Table 5 shows the treatment effects on policy preferences. The first column corresponds to the redistribution index while the remaining columns display the different components of the index. The top row shows that the local information treatment has no discernible impact on general redistributive preferences. In fact, neither the redistribution index nor any of its components are affected by such treatment.

Table 5: Tax Preferences

	1	2	3	4
Local Info	-0.028 (0.020)	-0.00053 (0.03910)	-0.026 (0.027)	-0.032 (0.028)
International Info	0.058 (0.022)***	0.09159 (0.04280)**	0.062 (0.028)**	0.044 (0.030)
outcome	Redistribution index	Progressive top tax	Basic income grant	Higher general taxes
mean_ctrl	0.36	0.08	0.64	0.36
N	1551	1470	1500	1514

Robust standard errors in parenthesis. Signif. codes: 0.01 '***' 0.05 '**' 0.1 '*'. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Controls are wave-area dummies, formal dwelling dummy, fieldworker dummies and a dummy for the reweighing of treatments during wave 1. Redistribution index is an average of the variables progressive top tax, basic income grant (BIG) and higher general taxes. All taxes coded as dummy variables except rogressive top tax, which is coded as one, minus one, and zero if respondent wishes this tax increased, decreased or unchanged, respectively.

In contrast, the international treatment has a positive and highly significant effect on the redistribution index. All components of the index react to the treatment, particularly the support for a higher top marginal tax rate and for the introduction of the basic income grant. The point estimate for supporting an increase in general taxes to improve public goods is also positive, although slightly smaller and statistically insignificant at conventional levels.¹⁸

This is the key result of this paper. Providing information about local inequality does not affect redistributive policy preferences. In contrast, providing information about the much lower inequality elsewhere (international treatment) has a sizeable effect on such preferences. This evidence suggests that an increased sense of inequality's changeability is linked to an increase in demand for redistribution.

6.3 Robustness

It is important to check whether our basic result applies with some generality or is instead driven by a specific group or context. Table 6 thus examines treatment effects by population group and by wave. We examine our two key outcome variables, perceptions of inevitability, and the redistribution index.

Results indeed apply quite generally. For the two population groups and for

¹⁸The higher coefficient for the top tax variable reflects the fact that this variables is coded with values minus 1, zero, and one. Using a more comparable version of the variable that codes as one the support for increasing the top tax and zero otherwise yields a (statistically significant) coefficient of 0.67, very close to the coefficients for the other redistribution items.

Table 6: Basic results by subgroup

	1	2	3	4	5
Inq inevitable					
Local Info	-0.014 (0.029)	-0.005 (0.036)	-0.022 (0.050)	-0.034 (0.033)	0.031 (0.064)
International Info	-0.116 (0.032)***	-0.114 (0.040)***	-0.116 (0.053)**	-0.167 (0.048)***	-0.071 (0.043)
Redistribution Index					
Local Info	-0.028 (0.020)	-0.052 (0.025)**	0.020 (0.033)	-0.035 (0.023)	0.024 (0.042)
International Info	0.058 (0.022)***	0.061 (0.027)**	0.057 (0.037)	0.071 (0.033)**	0.048 (0.028)*
subset	All	African Black	Coloured	Wave1	Wave2
N	1551	1025	526	916	635

Robust standard errors in parenthesis. Signif. codes: 0.01 ‘***’ 0.05 ‘**’ 0.1 ‘*’. Coefficients from OLS regressions with robust standard errors. Columns correspond to different data subsets and panels correspond to different outcome variables. Controls are wave-area dummies, formal dwelling dummy, fieldworker dummies and a dummy for the reweighing of treatments during wave 1.

the two waves, the international treatment decreases inevitability perceptions and increases demand for redistribution. The coefficients are always either statistically significant or close to being so. The size of the coefficients is fairly similar for “African Blacks” and for “Coloureds”. Coefficients are higher in absolute value for wave one than for wave two. However, interestingly, this pattern applies to both variables, inevitability perceptions and demand for redistribution, implying that subgroups that react less to the treatment in terms of inevitability, do so also in terms of demand for redistribution. For the local treatment, in turn, coefficients are always smaller in absolute value than those for the international treatment, and generally small and statistically insignificant.

6.4 Actions

An additional goal of the survey was to evaluate respondents’ willingness to bear a cost to act upon their preferences. To this end, two possible actions were introduced. Respondents were randomly offered to either sign a petition or send an SMS regarding the increase in the top marginal tax rate and the introduction of a BIG. We consider the effect of the treatment on undertaking a progressive action, as defined above.

Table 7 shows the treatment effects on these action outcomes. As mentioned, the sample sizes for these outcomes are halved, because respondents received the option of implementing either an SMS or a petition. As shown in the table,

the pattern of the findings for the local and international treatment effects is broadly consistent between attitudinal and behavioural outcomes. As should be expected from the absent effect of the local information treatment on tax preferences, this treatment has virtually no effect on respondents' willingness to take a progressive action. In contrast, the international treatment affects behavioural outcomes. The treatment has a substantial effect on respondents' willingness to sign a petition and on their intention to send an SMS regarding their tax. Concerning the BIG, the coefficients are of substantial magnitude but not statistically significant. For none of the policies, however, there is an effect on the *sent* SMS.

The effect of the international information on some behavioural outcomes suggests that the changed perceptions of inevitability and tax preferences are “real” in the sense that respondents' want to follow up on their preferences with politicians. As argued above, petitions - while free of charge from a material point of view - are not without cost as respondents are disclosing their name. At the same time, the lack of an effect for *sent* SMS shows that these effects do not carry over to materially costly actions. While fully acknowledging this limitation, we believe that the results for action outcomes - with the effects of the international treatments on the petition and the general consistency between attitudinal and behavioural outcomes - are overall supportive of the robustness of our main findings.

Table 7: Action outcomes

	1	2	3	4	5	6
Local Info	-0.043 (0.057)	-0.022 (0.049)	-0.0043 (0.0379)	0.012 (0.043)	0.036 (0.037)	0.018 (0.025)
International Info	0.087 (0.060)	0.056 (0.056)	-0.0010 (0.0401)	0.116 (0.052)**	0.075 (0.040)*	0.021 (0.025)
outcome	Petition	Sms intended	Sms sent	Petition	Sms intended	Sms sent
	BIG	BIG	BIG	top tax	top tax	top tax
mean_ctrl	0.47	0.39	0.12	0.03	0.05	0.02
N	727	712	712	727	712	712

Robust standard errors in parenthesis. Signif. codes: 0.01 ‘***’ 0.05 ‘**’ 0.1 ‘*’. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Controls are wave-area dummies, formal dwelling dummy, fieldworker dummies and a dummy for the reweighing of treatments during wave 1. Action outcomes assign value one (minus one), if action is progressive (regressive), and zero otherwise. BIG denotes Basic income grant.

6.5 Validity: Is it inevitability?

Our aim is to estimate the role of inevitability perceptions on demand for redistribution. These perceptions are successfully manipulated by providing informa-

tion on the much lower levels of inequality in other countries relative to South Africa. However, our experimental approach can confidently provide the causal effect only of providing such information. Exposure to such information might generate reactions other than those relating to inevitability and these may confound our results. We address this partially by providing the local information treatment which does not affect inevitability perceptions and thus serves as a placebo. Still, the local information treatment is not a perfect placebo. Most notably, this treatment provides information on inequality between Cape Town neighbourhoods whereas the information in the international treatment is between individuals in South Africa as a whole. The concern thus remains that the international information treatment triggers confounding factors that the local information treatment does not.

We address this concern in three ways. First, we consider the possibility that the two treatments lead to different types of updating regarding the true inequality in South Africa. For instance, if individuals are more familiar with income differences between neighbourhoods in Cape Town than between individuals in the whole country, it could well be that the international information treatment surprises respondents and leads them to update their beliefs whereas the local information treatment does not. This, and not the effect on inevitability, could be then driving the different effect on demand for redistribution. To address this concern, we asked respondents in each treatment to guess the respective level of inequality before providing the information. Specifically, in the local treatment, we ask them to guess median income in a rich and in a poor neighbourhood of Cape Town whereas in the international treatment we asked them to guess the rich-poor ratio in South Africa.

Comparing guesses with the actual values in the two treatments we find that the overwhelming majority of respondents underestimated inequality in both treatments. In addition, the median guess underestimated reality by a similar factor in the two treatments. For the international treatment, 84% of respondents underestimated the extent of inequality, with the median guess of the rich-poor ratio being 15 as opposed to an actual value shown of 22. For the local treatment, 91% of respondents underestimated the income ratio between rich and poor neighbourhoods; while income in the rich neighbourhood was R30,000 the median guess was 16,000.¹⁹ We conclude that differences in the treatment effects are unlikely to be due to different degrees of information updating on perceived inequality in the two treatments.

An additional source of differences between the treatments may be that the local information concerns neighbourhoods in Cape Town and the international treatment provides information on individuals in South Africa. In an effort to address this, the 2015 wave of the survey provided an additional version of the local information treatment ("Local Information: Rich-Poor"). This treatment was identical to the international treatment except that no information on other

¹⁹We report guessed values for the rich neighbourhood only because information for the rich neighbourhood were given to all respondents, while the specific poor neighbourhood for which information was given differed by respondent. See Appendix for details.

countries was given. The similar processing of these treatments regarding South African inequality is further supported by relatively similar guesses on the South African rich-poor ratio by respondents. While these guesses are more extreme at the tips of the distribution for those receiving the new treatment - to be expected without the anchoring to other countries - the median guess is again 15, and around 75 per cent of the respondents underestimate inequality.

Table 8 adds this treatment variable to the analysis of our key outcome variables using only the 2015 wave. While the sample size receiving the additional local treatment is low and the coefficients imprecisely estimated, point estimates are nevertheless small, of an order of magnitude similar to the original local treatment, and clearly lower than those for the international treatment.

Table 8: Results with additional local information treatment

	1	2
Local Info	0.031 (0.064)	0.024 (0.042)
International Info	-0.072 (0.043)*	0.047 (0.028)*
Local Info Rich-Poor	-0.026 (0.064)	-0.028 (0.047)
outcome	Inequality inevitable	Redistribution index
mean_ctrl	0.55	0.4
N	690	705

Robust standard errors in parenthesis. Signif. codes: 0.01 ‘***’ 0.05 ‘**’ 0.1 ‘*’. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Local info Rich-Poor is a treatment that provides the same information as the international treatment, but without giving information on other countries. Regressions use wave 2 only. Controls are area dummies, formal dwelling dummy and fieldworker dummies.

It thus appears that it is the mere fact of viewing the lower inequality levels in other countries that drives our results. Although we believe that the most plausible path through which this information would lead to increased demand for redistribution is through inevitability perceptions, we can think of one notable alternative: by presenting lower inequality levels in other countries our treatment may point out the South African exceptionality in its history of explicit racial discrimination. This may trigger the memory of grievances associated to past racial policies which could be then responsible for the increasing demand for redistribution.

We check this confounding path by estimating treatment effects on outcome variables that reflect considerations linked to race. These outcome variables are (i) support for a tax on whites and (ii) associating the picture of affluent house to a “white” as opposed to a “rich” person. Table 9 shows the treatment effects on

Table 9: Potential confound: Historical grievances

	1	2
Local Info	0.067 (0.029)**	-0.0045 (0.0296)
International Info	0.044 (0.031)	-0.0078 (0.0313)
outcome	Tax whites	House white
mean_ctrl	0.34	0.4
N	1514	1537

Robust standard errors in parenthesis. Signif. codes: 0.01 ‘***’ 0.05 ‘**’ 0.1 ‘*’. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Controls are wave-area dummies, formal dwelling dummy, fieldworker dummies and a dummy for the reweighing of treatments during wave 1. House white has value one if respondent answered an affluent house shown was inhabited by a white person as opposed to a rich one.

these variables. If the international treatment activates grievances associated to historical racially determined inequality, we would expect positive coefficients for the international treatment, larger than the ones for the local treatment. Instead, the table shows little difference between these two treatments. If anything, there is a somewhat higher effect of the local treatment on supporting a tax for whites in South Africa.

6.6 Possible Channels

Our main argument is that perceiving inequality to be inevitable can limit demand for redistribution via emotionally-focused ways of coping with such unchangeable situation. The evidence presented so far on the role of providing international, as opposed to local, information on inequality is consistent with this idea. There are, however, different channels through which our treatment may operate and while understanding the exact psychological mechanism at work is outside the scope of this paper, useful insights can nevertheless be gained by probing into potential channels.

We consider here two possibilities. First, inevitability might induce people to demand little redistribution out of a feeling of resignation. In that case, finding out that inequality need not be so high might lead respondents to a feeling of “indignation” and to a direct and self-interested desire to have more income for themselves. Second, inevitability could lead to a justification of existing inequalities. In that case, finding out that inequality does not have to be so high may inject a general sense of optimism and belief that the system as a whole can be improved.

In order to probe into these channels, we consider additional outcome questions regarding opinions on the preferred ways in which politicians could redis-

tribute resources as well as desert. Table 10 shows the results. We find that the international treatment (but not the local one) leads respondents to prefer the politician to provide directly cash to them rather than improving hospitals/clinics in their neighbourhood (with no effect on preferring a social grant for a year). Moreover, we find that this is not because the treatment makes them doubt that government would indeed improve the clinics, but because the treatment makes them more likely to declare that they “just need the money now”. In addition, we find that none of the treatments affect values on whether the rich in South Africa deserve their high incomes.

Table 10: Results for additional outcome variables relevant to assess potential channels

	1	2	3	4	5	6
Local Info	-0.018 (0.031)	-0.0045 (0.0264)	0.0122 (0.0188)	-0.0077 (0.0221)	-0.006 (0.018)	-0.0081 (0.0146)
International Info	-0.019 (0.033)	-0.0705 (0.0280)**	0.0099 (0.0203)	0.0606 (0.0234)***	0.053 (0.020)***	0.0045 (0.0150)
outcome	Rich deserve	Want clinics	Want grant	Want cash	Need cash now	Doubt that politicians deliver
mean_ctrl	0.62	0.76	0.1	0.14	0.07	0.06
N	1438	1508	1508	1508	1508	1508

Robust standard errors in parenthesis. Signif. codes: 0.01 ‘***’ 0.05 ‘**’ 0.1 ‘*’. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Controls are wave-area dummies, formal dwelling dummy, fieldworker dummies and a dummy for the reweighing of treatments during wave 1. Want clinics, want grants or want cash are dummies from a variable offering respondents which mode of redistribution they would wish from a politician, either to spend money to improve clinics and hospitals in the area, or providing a R150 grant to the neighborhood during one year or provide R50 in cash now. The two following variables ask to those that answer in the previous question why they would want cash now. These variables are coded to take value zero even if respondent choose clinics or grants.

These results suggest that the treatment effect operates through a direct self-interest channel. This is particularly clear from the fact that the international treatment, but not the local one, leads people to demand money directly from a hypothetical politician because he/she “needs the money now”. The fact that the international treatment does not affect perceptions that politicians can be trusted to fulfill promises of improving hospital clinics implies no effect on broader society-wide perceptions that the system overall could be improved. This is also consistent with the fact that the international treatment does not affect perceptions of whether the rich in South Africa deserve their high incomes. Of course all this need not imply that the broader system-change channel is not important in general or in the South African context. We observe, however, that

our specific treatment seems to operate primarily via the narrower, self interested channel.

7 Concluding Remarks

This paper seeks to shed light on the puzzle that demand for redistribution in high inequality countries is often counter-intuitively low. We argue that this may be because perceiving high inequality as inevitable may induce a sense of resignation, or even system justification and legitimation in order to cope with such fact. Such reactions, in turn, keep demand for redistribution low. We examine this argument with a survey experiment in three townships in Cape Town, South Africa. South Africa is particularly well suited to address our question because it displays very high and persistent inequality, but only average levels of demand for redistribution. Moreover, inevitability perceptions about high inequality in the country appear to be wide-spread among low income South Africans.

The main treatment of the survey experiment provides information on the very high levels of inequality in South Africa compared to other countries. This treatment successfully reduces perceptions that the high inequality in South Africa is inevitable. As a placebo, we use a treatment that shows inequality in South Africa locally, without relating it to other countries, which does not affect perceptions of inevitability.

Our main result is that providing information on inequality in comparative perspective affects tax preferences whereas the local information does not. Moreover, this effect is present for different population groups and for two different waves carried out a year apart. Whereas we cannot conclusively prove that this is due to the differential effects on inevitability, we examine alternative possibilities and rule out their plausibility as potential channels. We provide evidence that our results are not driven by different levels of inequality updating. Also, we reject the possibility that the international treatment leads respondents to focus on the South African exceptionality regarding the Apartheid origins of inequality. Since the treatment effect seems to derive from the mere fact of seeing that inequality in other countries is lower than in South Africa (as opposed to not seeing these comparisons), we believe that the most sensible interpretation of the results is indeed that this makes people think that the large levels of inequality in South Africa are not inevitable.

We also consider two possible channels through which inevitability perceptions could affect demand for redistribution, either by minimizing the nature of the problem and becoming detached and resigned, or by actively justifying social inequalities. Examining some additional outcomes, we find that our treatment appears to operate rather via the former. A promising avenue of future research would be to investigate further into the different ways through which inevitability beliefs might affect policy preferences.

Overall, the paper suggests that ‘changeability perceptions’ may be an im-

portant determinant of demand for redistribution. This points to the possibility of a vicious circle generating long-term high inequality. The very persistence of inequality may induce pervasive perceptions of inevitability which can lead to low demand for redistribution and, ultimately, reinforce persistence.

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A Appendix

A.1 Tables

Table A1: Balance treatments

	1	2	3	4	5	6
Local Info	-0.0039 (0.0301)	1.04 (0.90)	0.0089 (0.0279)	0.0033 (0.0274)	-0.0074 (0.0269)	-0.0021 (0.0302)
International Info	0.0041 (0.0321)	0.92 (0.96)	-0.0631 (0.0298)**	-0.0148 (0.0292)	-0.0078 (0.0287)	0.0269 (0.0321)
outcome	Female	Age	Earn	Matric	Formal housing	Receives grants
mean_ctrl	0.63	38.61	0.32	0.29	0.62	0.4
N	1555	1545	1552	1552	1555	1551

Robust standard errors in parenthesis. Signif. codes: 0.01 '***' 0.05 '**' 0.1 '*'. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Controls are wave-area dummies, fieldworker dummies and a dummy for the reweighing of treatments during wave 1.

A.2 Description of Treatments

International Information

We would now like to show you some information about the income differences in South Africa in comparison to other countries.

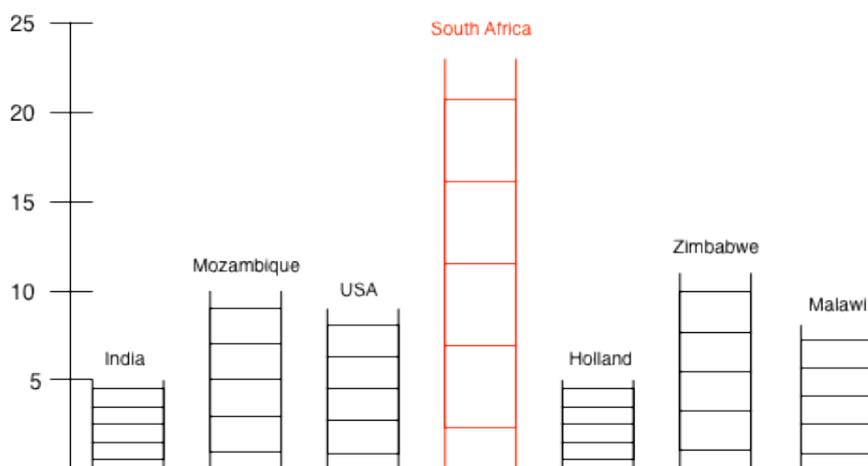
Here are two examples, India and Mozambique (*Note: The graph below is shown for only India and Mozambique. Fieldworkers are instructed to explain intuitively the 5 steps as quintiles of the distribution*).

In India the ladder is short, this means that the gap between the rich and the poor is not so big: In India, the rich earn 5 times more than the poor. In Mozambique, the ladder is longer, the rich are further away from the poor. The rich earn about 10 times more than the poor.

Here are some more examples of ladders in other countries. In Zimbabwe, the ladder is quite long, but in Holland it is quite short. (*Note: the ladder is shown for all countries except South Africa (i.e. India, Mozambique, US, Zimbabwe, Holland, Malawi)*)

How long do you think the ladder is in SA?

You said [respondent's guess]. Actually, the ladder looks like this. In South Africa the rich earn more than 20 times the income of poor people, the ladder is very long.

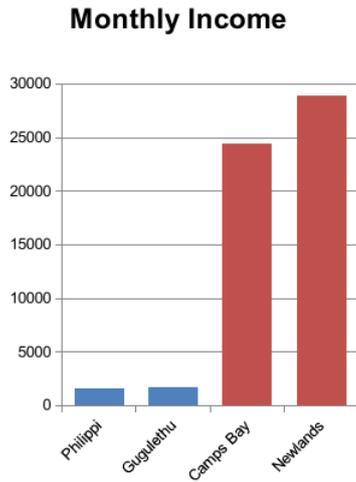


Source: Data for this graph were taken from the 2007-2008 Human Development Report (Table 15). They represent the income (or expenditure) of the 20 per cent richest divided by the income (expenditure) of the 20 per cent poorest in the respective country.

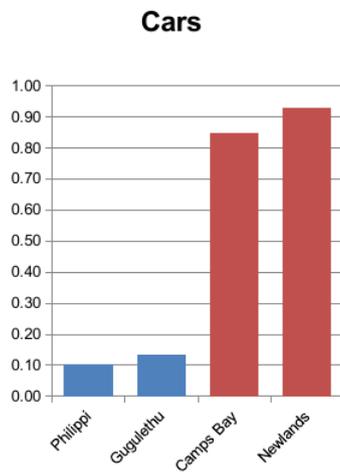
Local Information

We would like to talk about the differences between the living conditions of poor people and rich people in South Africa. First I would like to ask you how much do you think a typical household earns per month in Gugulethu and how much a typical household earns in Newlands?

This graph shows the monthly income in Philippi, Gugulethu, Camps Bay, and Newlands. As you can see, the monthly income in Gugulethu is about 1700, in Newlands it is about 30,000 Rand.

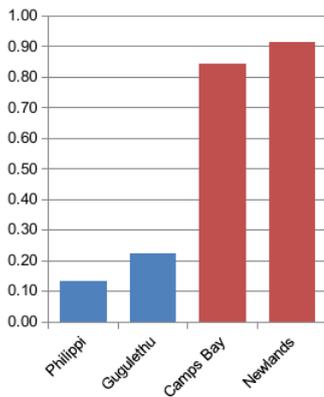


We will now also show you differences in what people own in these neighborhoods. First, we will show you ownership of cars.



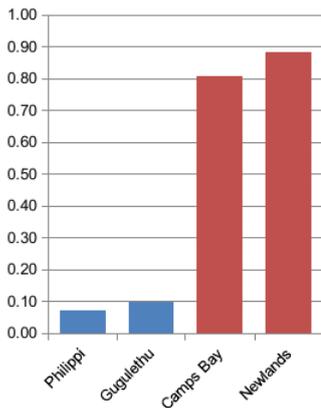
Now, we will show you ownership of washing machines

Washing Machines



Now, we will show you ownership of computers.

Computers



Q: Are you surprised by the differences between Newlands and Gugulethu in ownership of these household goods?

Notice that this is an *example* of the local information treatment provided to one third of the respondents. Another third of the respondents were presented with differences across three types of neighbourhoods (Gugulethu/Philippi – Athlone/Mitchells Plain – Camps Bay/Newlands), and the last third with only the difference between Athlone/Mitchells Plain and Camps Bay/Newlands.

Local Information: Rich-Poor

We would now like to show you some information about the income differences in South Africa.

[Show SA ladder from international treatment, but without labelling the y axis]

Here is a ladder that shows how big the difference between the rich and the poor is in South Africa. The rich are at the top and the poor are at the bottom. How long the ladder is tells you how much the rich earn compared to the poor.

Q: “In your opinion, how many times more do the rich earn what the poor earn in South Africa?” [capture value]

You said [respondent’s guess]. Actually, the ladder looks like this. In South Africa the rich earn more than 20 times the income of poor people, the ladder is very long.

A.3 Outcome Questions (following order of questionnaire)

inq_problem	Do you think the gap between rich and poor is a serious problem in South Africa?
big	Some people propose a new government grant called the Basic Income Grant. This is a grant to all South Africans. This would be different from existing social grants like the old age pension or the child support grant, because everybody would get it. Do you support the introduction of a Basic Income Grant?
tax_top	In South Africa, people must pay taxes depending on their income. Rich people pay about one third of their income as taxes. For example, somebody who makes R60,000 per month pays R20,000 in taxes and keeps R40,000 for himself. Do you think RICH people should pay more, less or the same taxes?
action_note	If you feel strongly about the Basic Income Grant or taxes for the rich, you can take an action to express your opinion.
sms	You could send a SMS to your ward councillor. The way you can do this through our study is to send a SMS to the coordinator of our study and after we are done with all the interviews, we will send a message to your councillor telling him which policies people in our study support. We will not tell him your name, just how many people in our study shared your opinion. Would you like to send a SMS to express your opinion about any of these policies?
petition	You can sign a petition expressing your opinion. At the end of our study, we will forward this petition to South African politicians letting them know which policies people in our study support. We will not tell them your name, just how many people in our study shared your opinion. Would you like to sign a petition?
petition taxes1	PETITION SUPPORTING AN INCREASE IN TOP MARGINAL TAX RATE Rich people in South Africa should contribute more to helping people get out of poverty. I support an increase of taxes for people earning more than 50.000 Rand per month. This money should be used to help poor people.
petition taxes2	PETITION SUPPORTING A DECREASE IN TOP MARGINAL TAX RATE Rich people work hard for their income. I support a DECREASE of taxes for people earning more than 50.000 Rand per month because effort should be rewarded in South Africa.
petition_big_yes	PETITION SUPPORTING THE INTRODUCTION OF A BASIC INCOME GRANT. Many South Africans are unemployed and struggle to make a living. A basic income grant would help them to make ends meet. I support the introduction of a new basic income grant.

petition_big_no	PETITION AGAINST THE INTRODUCTION OF A BASIC INCOME GRANT. Government grants should be reserved for people who really need them such as old people and children. The basic income grant would deter people from looking for a job. I am against the introduction of a basic income grant.
tax_white	Some people say that WHITE South Africans should pay a special tax in addition to their normal taxes. Do you agree?
tax_gen	Government officials often complain that there is not enough money to improve public infrastructures like schools, roads, or sanitation. Do you think taxes should be higher so that the government has more money to improve this?
deserve	Do you think that the rich in South Africa deserve their high incomes?
gov_res	Do you think that the government should take more responsibility to ensure that everyone is provided for or that people should take more responsibility to provide for themselves? Choose a number on a scale from 1 to 10 to show how much you agree with these statements, where 1 means that the government should provide for people and 10 means that people should provide for themselves.
choice	Imagine that a politician gives you the following choice: 1) get R150 in cash today, 2) the government introduces a new grant that gives R50 per month to residents of this neighbourhood next year, 3) the government spends money to improve the hospitals and clinics in your neighborhood.
cash	Could you tell me why you prefer the R150 in cash? Answers: 1) I need the money now, 2) I don't trust that the government would keep the promise to introduce the grant or improve hospitals, 3) Other...
grant	Could you tell me why you chose the R50 grant? Answers: 1) I think that the government should solve directly the financial problems of people like me, 2) I'm not sure that the hospitals would really be improved, 3) Other...
inq_inevitable	Do you think that the large gap between rich and poor in South Africa is inevitable? - it's a fact of life could be made smaller
politicians_care	Do you think that making the gap between the rich and the poor smaller is important to South African political leaders?
house	Please have a look at this picture. What type of person do you think lives in this house? Answers (order randomized): 1) A rich person, 2) A white person, 3) Other...

A.4 Video Messages of South African Leaders

One branch of the experiment consisted of video speeches by members of the South African political elite intended to signal elite support for redistribution. One message is by South Africa’s president Jacob Zuma while the second is by Julius Malema, leader of the Economic Freedom Fighters. Note that each respondent is randomly presented with only one video.²⁰ The two speeches are quite different in content and level of speaker’s involvement: Jacob Zuma is reading from a script that announces the government’s intention to decrease inequality, whereas Julius Malema aggressively speaks up against inequality - largely in racial terms - and promises a variety of redistributive policies.²¹ Both video messages are intended to increase perceptions of political support for redistribution and are thus supposed to lead to a heightened sense of changeability of inequality. The speeches are given *in addition* to either the “international” treatment or the “local” treatment.

Table A5: Video treatments

	1	2	3
Video local	-0.0272 (0.0328)	-0.033 (0.033)	0.020 (0.023)
Video international	0.0022 (0.0376)	0.057 (0.042)	-0.017 (0.029)
outcome	Politicians care about inequality	Inequality is inevitable	Redistribution index
N	2198	2215	2266

Robust standard errors in parenthesis. Signif. codes: 0.01 ‘***’ 0.05 ‘**’ 0.1 ‘*’. Coefficients from OLS regressions where each column corresponds to a different outcome variable. Controls are wave-area dummies, formal dwelling dummy, fieldworker dummies and a dummy for the reweighing of treatments during wave 1.

Table A5 shows the results of the video messages on the manipulation check question “Do you think that making the gap between the rich and the poor smaller is important to South African political leaders?” and on two core outcome variables: (i) perceptions that South African inequality is inevitable and (ii) the redistribution index. As shown in the table, the video treatments did not affect these outcomes in a significant way.

²⁰In the first wave of the survey, one sub-branch of this treatment provided an additional speech by Desmond Tutu. A decision was made not to include Tutu’s video in the second wave as a result of feedback from the field which indicated that his message was not seen as a form of elite support for redistribution.

²¹The videos were available either in English (the original version) or in dubbed Xhosa/Afrikaans versions to the participants.