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Elites' Perceptions of Inequality

Who Supports Redistribution? Why, When and How?

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Abstract

In this paper, we explore Brazilian and South African elite preferences about redistribution by presenting the results of a survey on perceptions of inequality. If, by definition, elites concentrate power and resources, it follows that the design and implementation of redistributive policies depends largely on the preferences of those at the top. Understanding such preferences, as well as the conditions and reasons for them, is thus key for understanding how inequality is reproduced or can be transformed. We rely on random samples of economic, political, and bureaucratic (top tier civil servants) elites in Brazil and South Africa. We found significant country and sector diversity in elite perceptions, in particular regarding their views on the relationship between economic growth, redistribution and inequality and their preferred solutions to address these issues.

Keywords

Inequality; Elite; Preferences; Brazil; South Africa

Bio

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Introduction

The role of elites in the growth and reproduction of inequalities has received considerable attention in recent years (e.g. Cousin et al. 2018; Khan 2016). On one hand, a number of studies has focused on how elites have concentrated more economic resources (e.g. Piketty 2015; Milanovic 2016) that allow them to also have disproportional political influence (e.g. Gillens 2012; Page et al. 2013). On the other hand, there has been a renewed interest in elite schools and occupations and their role in the reproduction of socioeconomic inequalities (e.g. Khan 2010; Rivera 2016). These studies, however, are inconsistent in their operationalization of the concept of elite – ranging from class-based approaches (e.g. the upper-class and the super-rich) to position-based ones (e.g. political elites and technocrats), and often mixing the two. They also rarely discuss the sector and national heterogeneity among elite groups. Moreover, researchers frequently assume that elites will always oppose redistribution, unless under threat.

If, by definition, elites concentrate power and resources, it follows that the design and implementation of redistributive policies depends largely on the preferences of those at the top. Understanding such preferences and the mechanisms that lead to them is thus key for understanding how inequality is reproduced or can be transformed. In this paper, we explore elites´ preferences about redistribution by presenting the results of a survey on perceptions of inequality conducted with random samples of economic, political, and bureaucratic (top tier civil servants) elites in Brazil and South Africa. These two countries transitioned to democracy in the late-1980s and early-1990s, instantly becoming the largest, but also the most unequal, democracies in their respective regions. In our results sections, we analyse how elites in the two countries understand the causes and consequences of inequality, as well as which types of redistribution policies are supported and rejected.

Before presenting our results, we briefly explain how we conceptualize the relationship between elites and redistribution preferences. Next, we present our cases, our data and the descriptive results on elites' preferences in Brazil and South Africa, focusing on how elites in these countries see inequality and which solutions they more strongly support. We found significant country and sector diversity in elite perceptions, in particular regarding their views on the relationship between economic growth, redistribution and inequality, as well as their preferred solutions to address these issues. We conclude by exploring possible ways to move forward with comparative research on the links between elites and inequality.

Towards a more precise definition of elites and their relationship to inequality

The recent growth of inequality among the most developed countries and the new methodological tools available to study inequality among those on the top of the social stratification, have turned elites into a prominent research issue in the past decade. A number of studies have focused on measurements of inequality at the top (e.g. Piketty 2015; Milanovic 2016), the mechanisms of reproduction of elites either resorting to classical stratification measures (e.g. Falcon and Bataille 2018) or else making use of Bourdieu's concepts of habitus and fields (e.g. Khan 2010).[1]

[1] Social network analysts have a longer history of analysing social capital through ties and connections of elites, with a special focus on the direction boards of corporations. But, as pointed out by Savage and Williams (2008), these studies have been largely restricted to descriptive studies relying on data on directors of corporation boards.

This insightful literature has contributed to de-normalizing and making visible the world of elites, but most studies fall into common traps when thinking about the role of elites in the reproduction of inequality. First, they tend to define elites either narrowly (e.g. the super-rich, corporate board members), or loosely (e.g. upper-middle class, college-degree holders), often confounding the concept of elites with that of class (e.g. Khan 2010; Sherman 2018). Second, elites are generally perceived as being either selfishly interested in in-group reproduction or unaware of their own privilege and role in social exclusion (e.g. Paugam et al. 2017; Wedel 2009). In addition, it is often assumed that unless their position is under threat, elites will always benefit from inequality (e.g. Acemoglu and Robinson 2005; Boix 2003). Finally, elites are often perceived as homogeneous, with national and sector differences usually ignored or underplayed. In short, despite the growing number of studies focusing on elites, considerable conceptual vagueness remains in how elites are understood as well as in their agency in the reproduction (and growth) of inequalities.

Although certainly interesting, the focus on socioeconomic status, wealth and privilege neglects the role elites play in shaping and defining institutional and political mechanisms that create and reproduce material inequalities. In addition, the tacit assumption that elites will always benefit from inequality ignores that, unless due to exogenous shocks such as war and epidemics, redistribution necessarily follows some kind of elite action, engagement, or tacit approval (de Swaan 1988). Finally, the assumption of homogeneity ignores that redistributive incentives are not constant across different power positions.

As we are interested in how elites may shape the transformation or reproduction of inequalities, we rely on a positional definition of elites and focus on those who occupy decision-making positions in economic, political, and state institutions that play important roles in shaping and implementing economic and social policies. In analysing their preferences, we are particular attentive to (1) the heterogeneity of these preferences, in particular across nations and elite sectors and; (2) a comprehensive understanding of these preferences that goes beyond the simplistic assumptions of rational choice approaches as well as the equally narrow view offered by the political culture literature, as we discuss next.

From elite values to elite preferences

Our interest on elites' attitudes towards inequality was inspired by the research conducted by Verba and his co-authors (1985, 1987). When comparing elites´ values about poverty and inequality in the US, Japan, and Sweden, Verba and his co-authors (1987) showed how national leaders, defined as those who "shape the political struggle over issue of equality", understand equality in different ways and have different preferences for what the ideal levels of economic and political equality should be. These studies showed that leaders did care about equality, but also that they defined equality very differently across countries and sectors. Notions of equality of opportunity and conditions versus equality of results were found to be central. In addition, the distinction between economic equality (i.e. distribution of economic resources) and political equality (i.e. distribution of power) was also identified as central in shaping national leaders´ values.

Verba's notion of values as shaping "individuals economic and political behavior" (Verba and Orren 1985:2), however, denounces an old understanding of political culture as static and hard to change (Sommers 1995). Even if it allows for the understanding that attitudes do not simply reflect interests inherent in one's social position, they often substitute socioeconomic determinism for a cultural one. In addition, as suggested by McCall (2013), when these studies focus on whether people know or care about inequality, they fail to address why and how they are (or are not) concerned about it and when they are willing to redistribute.

More recent studies on elite perceptions of inequalities have addressed the negative consequences of inequalities for elites themselves - i.e. how inequality also creates problems for elites such as urban violence (e.g. Rueda and Stegmueller 2016) or revolutionary threats (e.g. Boix 2003), or how elites justify their privileges in income (e.g. Hecht 2017) and consumption (e.g. Sherman 2018). Nevertheless, most of these studies rely on an income-based definition of elites that tends to equate elites and the rich and to largely underplay the diversity of perceptions across different elite sectors and backgrounds.

Elite sectors

In contrast to the income or wealth-based definition, we adopt a positional definition of elites. This definition can be traced back to the concept of the "power elite," as those who occupy the dominant positions in central military, economic and political institutions (Mills 1956). Writing in the 1950s, Mills argued that elites' interwoven and shared (even if not always conscious) interests shaped the faith of the US (and in the Cold War, of the world more broadly). More recent studies (e.g. Gillens 2012) have analysed how the interlocking interests of economic and political elites are a threat to democracy and a source of growing inequality, even if increasingly the focus seems to be on the influence of economic on political elites.

Although we agree with Mills' idea that people occupying power positions in dominant institutions do have power to shape politics and policies, we question the idea that their interests will always converge. We agree with Higley and Burton (2006) and Page et al. (2013) that the cohesion (or divergence) of elites is an empirical question. Diversity within elites can come from a number of sources. Individual identification and background (e.g. religion, family socioeconomic status (SES), gender, sexuality, ethnicity and race) and institutional characteristics (e.g. occupational and elite sector) may shape how people interpret reality and make decisions. But, as argued by several authors,[2] these diversities have largely been underplayed in the elite literature.

In this paper we analyse similarities and differences across elite sectors, taking elite institutional belonging as a potential source of divergence. Even if we acknowledge that there are other new sources of power – for example, what Wedel (2009) has termed shadow elites – we believe institutions are still important locus of influence. In issues of inequality, in particular, redistribution decisions have to pass through institutional approval, policy design and implementation. In addition, although there might be some overlap between elites' individual level characteristics (such as their socioeconomic background) and the elite sector to which they belong, sectors themselves may shape worldviews, which in turn inform processes of decision-making.

In our study we chose to look at business leaders, elected officials at the national level, and top-tier civil servants. These sectors represent the main actors proposing, implementing, and potentially funding public policies. Elected officials have an obvious influence on policy, once

[2] e.g. Savage and Williams 2008; Khan 2010; Cousin et al. 2018.

it is in their hands to put forward legislation and budgets. Their attitudes towards redistribution are likely to be shaped by electoral incentives, as predicted in median voter theories (Meltzer and Richard 1981), but also by campaign financing and lobby interests, as largely discussed in the literature (e.g. Page et al. 2013). Top-tier civil servants also hold significant power in terms of policy design and even in agenda setting (Aberbach et al. 1981). The influence of economic elites in policymaking and agenda-setting processes is well documented (e.g. Gilens and Page 2014), either through campaign financing and lobbying but also through the support (or lack of) to policies through public-private partnerships. In the data and methods section below, we discuss in detail our sampling strategy. Before that, however, we analyse another source of difference of elite sectors: cross-country variance.

Elites in extremely unequal societies: Brazil and South Africa

With rare exceptions (e.g. Reis and Moore 2005; Paugam et al. 2017), studies on elites´ attitudes towards inequalities have focused on the developed world. While globalization has made the world smaller and transnational processes shape inequality trends, it is hard to argue against the fact that domestic politics and policies are still central in shaping redistribution outcomes. And domestic processes may actually be gaining growing importance in the Global South. As pointed out by Milanovic (2016), when compared to inequalities across countries, inequalities within countries play an increasing role in global inequalities.

Brazil and South Africa are mid-income countries with histories of European colonization and slavery that left a strong mark on current patterns of inequality (Marx 1998). For most of the second half of 20^{th} century, these two countries held the highest GINI coefficient in the world: an average of 0.6 between 1993 and 1998. In the late-1980s and early-1990s, democratization brought to power new political elites historically committed to political projects of equality in Brazil and South Africa. In both countries, economic elites supported (or at least tolerated) these projects not only out of good will or ideological agreement, but also because they acknowledged that such severe levels of inequality were a source of urban violence, rebellion, and other negative consequences that jeopardized their own well-being and possibilities of economic growth (Reis and Moore 2005). Nevertheless, today, more than two decades after democratization, Brazil and South Africa still make headlines for corruption scandals, economic crises, urban violence and persistent inequality. According to the World Bank, their Gini coefficient remains among the highest in the world, 0.51 in Brazil (2015) and 0.63 in South Africa (2014). Redistribution also remains a widely shared consensus in the current political agenda in both countries, but understandings about when, why, and how it should be done are largely contested.

Current explanations of the shortcomings of Brazilian and South African redistribution policies range from commodities cycles and macroeconomic policies (Carbonnier et al. 2017; Campello 2011), and neoliberalism and globalization effects[3] to roadblocks to redistribution placed by elites themselves (e.g. Albertus and Menaldo 2018; Seekings and Nattrass 2015). Although the importance of macro-level and institutional explanations are undeniable, these theories tend to assume that elites´ preferences are irrelevant or that they always prefer more inequality. In contrast, in this paper, we understand elites’ perceptions about inequality and preferences about redistribution, as a necessary, even if insufficient, condition for redistribution under democratic

[3] e.g. Bond 1998; Marais 2013; Souza 2017.

regimes. As suggested by de Swaan (1988), negative externalities of poverty and inequality may have been important drivers of welfare state formation in Europe and the United States.

In presenting our survey results, our goal is not to explain the reasons for similarities and differences of elite preferences in Brazil and South Africa, but to explore the ways elites interpret the dilemmas of inequality and redistribution in these two countries. Our focus is on convergences and divergences across nations and sectors, which may create possibilities for redistribution or, instead, obstacles to it.

Data and Methods

Between 2013 and early 2015, we administered 362 questionnaires in randomized samples of political, bureaucratic, and business elites in Brazil and South Africa, with at least 60 respondents per sector in each country.[4] Following the same strategy as Reis (2000), which relates to Hoffman-Lange's (2007) position method, elites were sampled based on their institutional positions.

For the Brazilian survey we stratified our sample into three groups: (i) elected officials at the federal level from each of Brazil's four main parties[5] (PMDB, PT, PSDB and PSD), (ii) top-tier civil servants within the federal government, and (iii) business persons (CEOs, CFOs or chairpersons of boards of the country's top 300 companies).[6] Civil servants were sampled from among those holding DAS 5 and 6 (which is the top status for civil servants in the country) positions in ministries related to economics, development, and social policy in the federal government.

In South Africa, we sampled members of the National Assembly from the ruling African National Congress (ANC) and the official opposition party, the Democratic Alliance (DA). We sampled in proportion to each party's representation in the National Assembly, such that two-thirds of our respondents in the sector were from the ANC and one-third from the DA. In constructing our sample of civil servants, we strategically chose 20 government departments and sampled randomly from top-tier civil servants (Director Generals, Deputy Director Generals, Chief Operating Officers and Chief Directors). To construct our sample of business elites, we triangulated a list of the top 300 companies (by market capitalisation) listed on the Johannesburg Stock Exchange with the 'Africa Report Top 500 Companies in Africa' (which was identified as a widely used list by a senior contact at the Competitions Commission). We randomly sampled companies from this list, allowing for respondents holding the following positions: CEO, CFO or Chairperson of the Board.

Questions came mostly from a previous survey conducted with Brazilian elites (Reis 2000), from items in larger surveys which tapped perceptions about inequality and poverty among a broader population (World Value Survey, ISSP), and from a survey conducted by the Interdisciplinary Research Network on Inequality (NIED) on the relationship between civil

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[4] In South Africa, the number of politicians was 63 and of business 61 due to an error made by the surveying company, which continued to conduct interviews after the quota was filled. Since all interviewees were selected randomly, we decided to maintain the extra two cases in the data set.

[5] By main parties we mean those with more seats in congress.

[6] The list of the top 300 companies comes from a business publication in Brazil, Revista Exame, which is a Forbes type of publication widely used in the corporate world.

society and the State. We also added new questions, in particular regarding the role of social policies like BEE in South Africa and *Bolsa Familia* in Brazil.

Although, as argued by Cousin et al. (2018), survey research has not been a particular effective tool in guaranteeing elite access, we believe part of the problem is the broad and imprecise definition, largely based on income, as discussed above. In our survey, the overall response rate was above average when compared to other elite surveys (Hoffman-Lange 2007): 32.3 percent for Brazil and 41 percent for South Africa (response rates per sector can be found in Table 1, below). The surveys were administered through face-to-face interviews, except for a handful conducted over the phone. We did not allow potential participants to nominate others to participate in their place. In the remaining of this paper, we present the descriptive statistics of this survey.

Table 1: response rate Survey Elites and Perceptions of Inequality (NIED/UFRJ 2014) per sector

	Elected officials	Civil servants	Businesspeople
Brazil	30%	51%	25%
South Africa	65%	35%	32%

Results

Who are the Brazilian and South African elites surveyed?

As shown in table 2, and unsurprisingly, Brazilian and South African elites have higher levels of education than what is average in the general population. The majority of interviewees (96.1 percent in Brazil and 77.7 percent in South Africa) has a university diploma, while in their countries it is still only available to a minority (14.85 percent of the population 25 years or older in Brazil and 11.8 percent of the population 20 years or older in South Africa, according to the Brazilian 2010 Census and South African 2011 Census). In addition, in both countries elites illustrate the persistence of racialized and gender-based socioeconomic structures. Although whites, who make up only 9 percent of the South African population (South African 2011 Census), are overrepresented across the three elite sectors, this is particularly striking in the business elite, where 70 percent of interviewees identify as white. In contrast, the white homogeneity of the Brazilian elite is even more widespread: in a country where 51 percent of the population (Brazilian 2010 Census) identifies as black and brown, 80 percent of the elite identifies as white. In both countries, nearly all interviewees were men.

There are, however, interesting differences in the profile of the elite sectors within countries, as well as structural similarities in their profiles across countries. Political elites in Brazil and South Africa constitute the most heterogeneous sector, even if more so in South Africa, where less than half have a university degree. This heterogeneity of the political sector may illustrate the importance of elite circulation in both countries, particularly since democratization. This also seems to apply, even if to a lesser extent, to the South African bureaucratic sector (but not to the Brazilian one). In contrast, the business elite appear as the most homogeneous (and with higher SES) in both countries, even if even in this sector, most are first-generation college-graduates. Finally, when comparing the countries, the socioeconomic distance of business elites to other sectors is more striking in South Africa.

Table 2: Socioeconomic characteristics of Brazilian and South African interviewees

	Brazil				South Africa			
	Politicians	Bureaucrats	Business	Total	Politicians	Bureaucrats	Business	Total
University degree or higher	93,3%	100,0%	95,0%	96,1%	40,8%	96,7%	86,9%	77,7%
Father w/ secondary or higher	51,7%	67,8%	65,0%	61,6%	31,7%	53,3%	68,9%	51,1%
Father w/ university or higher	25,9%	50,8%	45,0%	40,6%	9,5%	23,2%	31,1%	21,2%
Mother w/ secondary or higher	41,7%	61,7%	66,7%	56,7%	30,2%	51,7%	70,5%	50,5%
Mother w/ university or higher	15,0%	26,7%	35,0%	25,6%	1,6%	11,7%	14,8%	9,2%
identify as white	68,3%	75,0%	96,7%	80,0%	19,0%	20,0%	70,5%	36,4%
% male	91.7%	78.3%	98.3%	89.4%	62%	73%	95%	77%
Total (N)	60	60	60	180	63	60	61	184

Source: Survey Elites and Perceptions of Inequality (NIED/UFRJ 2014), own compilation

Maybe due to their higher SES, Brazilian and South African elites are largely aware of their status as elites. When asked if they consider themselves to be part of the elites, the great majority of interviewees – 82 percent in Brazil and 66 percent in South Africa – answered affirmatively. Agreement was much more common among businesspeople (BR: 90 percent and SA: 84 percent) than among politicians (BR: 71 percent and SA: 41 percent). Again, elected officials in South Africa are the ones that most frequently reject the elite status, 54 percent stated not being part of the elite, mostly because they came from a middle class or rural background. Nevertheless, the understanding of elite status as class status was not consensual. While income was cited as the main reason for elite identification among Business (BR: 35 percent and SA: 49 percent) and Bureaucratic respondents (BR: 34 percent and SA: 30 percent), power was also mentioned by significant minorities (28 percent for Business and 22 percent for Bureaucrats in Brazil and 21 percent for Business and 30 percent for Bureaucrats in South Africa). Finally, power was the main reason cited by political elites who identified themselves as members of the elite (BR: 52.5 percent and SA: 27 percent).

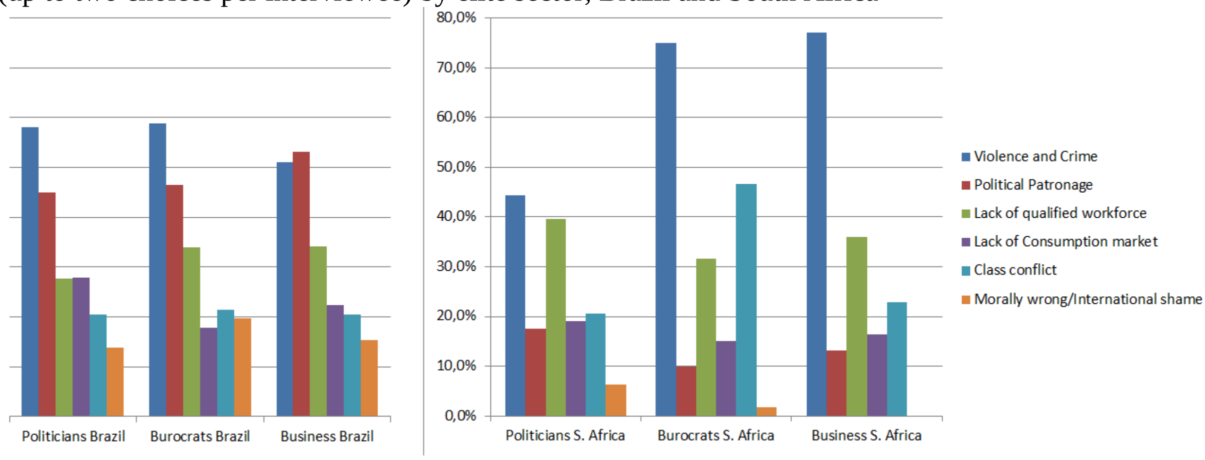
Seeing inequality from the top

Previous studies have already indicated that elites in Brazil and South Africa are aware of inequality as a problem (Reis 2000; Kalati and Manor 2005). Similarly, our results show that nearly all interviewees (BR: 98.3 percent and SA: 99.5 percent in South Africa) see inequality as a problem. Most interviewees in both countries, however, believe it is less so than twenty years ago (BR: 83.9 percent and SA: 70 percent).

Again echoing previous studies, crime and violence were the most cited consequences of poverty and inequality in both countries (Br: 56 percent and SA: 65.2 percent). In Brazil, political patronage came in a close second place – cited by nearly 50 percent of interviewees (versus 13.6 percent in South Africa). Violence and patronage as consequences of inequality indicate that many elites see the poor as a threat (potential criminals) or a burden (easily manipulated voters) and suggest that these elites draw strong symbolic boundaries between themselves and the poor, as discussed elsewhere (Moraes Silva and López 2014; López et al., under review). In South Africa, the second most common cited consequence of inequality was lack of skilled labour force (BR: 32 percent and SA: 35.9 percent). The lack of a solid domestic consumer market was also mentioned by 22.7 percent of Brazilian and 16.8 percent of South African respondents. These latter views indicate a more instrumental perception of the wasted economic potential of the poor. Class conflict was also cited by 20 percent of Brazilian and 30 percent of South African interviewees, showing the persistence of a class narrative in societies largely based on informal labour markets.

As shown by Figure 1, in South Africa, "violence and crime" are perceived by far as the most important consequence of poverty and inequality across all sectors. The lack of a qualified work force comes in as a close second only among the political elite. In Brazil, political patronage appears in a close second place among the political elite, and as the most cited by Business elites. In spite of this difference, elite sectors in both countries seem to largely converge in their perceptions of poverty and inequality as problems, and largely due to the threat of individual violence or political manipulation.

Figure 1: What are the most important consequences of poverty and inequality in [your country] (up to two choices per interviewee) by elite sector, Brazil and South Africa

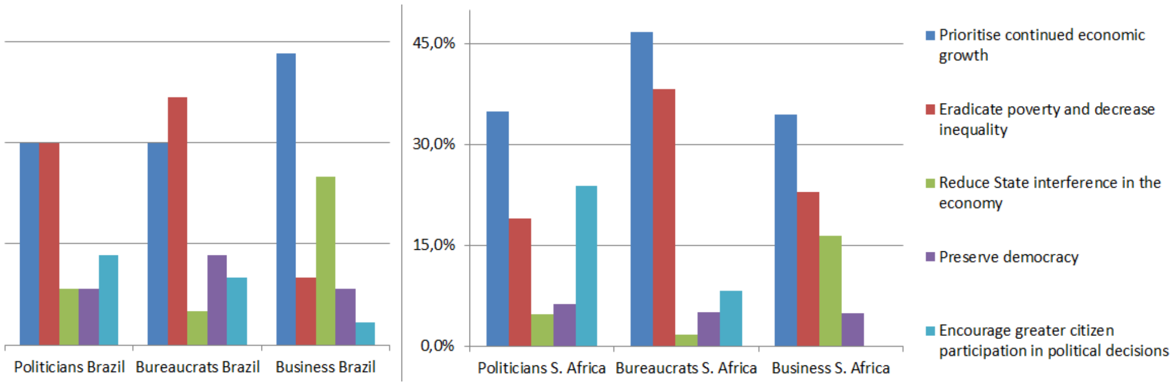


Source: Survey Elites and Perceptions of Inequality (NIED/UFRJ 2014), own compilation.

But is inequality always perceived as a problem by these elites? And is it among the most important problems of the country? When asked if moderate levels inequality can be beneficial to the economy (versus always being a problem), a small majority of South African interviewees said yes (51.6 percent) and nearly one-third of Brazilians (32.6 percent) agreed. Here again, despite the stronger rejection of inequality, even if in moderate levels in Brazil, political and business elites occupy the two extremes. While 80 percent of those in the political sector in Brazil and 77.8 percent of those in South Africa stated inequality is always bad for economy, 40 percent of Brazilian and 73.8 percent of the South African business elite believe inequality at moderate levels can be beneficial to the economy.

When asked about the most important goal of the country in the medium term "prioritize continued economic growth" is the most frequent choice for 34.4 percent of Brazilian elites and 38.6 percent of South African elites. "Eradicate poverty and decrease inequality" appears as the second choice with 25.6 percent among Brazilian elites and 26.6 percent among South African elites. "Reduce the state interference in economy" comes third in Brazil, largely driven by the preferences of Brazilian business elites (25 percent) and "encourage greater citizen participation in political decisions" comes third in South Africa, here driven by political elites choice (23.8 percent).[7] As shown in figure 2, there are also differences across nations, but economic growth appears as the most important goal for all, with the exception of civil servants in Brazil.

Figure 2: What should be the most important goal of the country in the medium term (single choice) by sector, Brazil and South Africa



Source: Survey Elites and Perceptions of Inequality (NIED/UFRJ 2014), own compilation.

Consistently with the previous results, when directly asked if the government should prioritize economic growth or redistribution, most interviewees choose economic growth. South African elites converge towards economic growth (Politicians 85.7 percent, Bureaucrats 76.7 percent and Business 93.4 percent). In contrast, while Brazilian business elites move in the same direction, with 83.3 percent choosing economic growth, Brazilian Politicians and Bureaucrats are more divided between stating the government should prioritize economic growth (46.7 percent and 40 percent, respectively) or redistribution (45 percent and 50 percent, respectively). In short, important percentages of Brazilian and South African elites, particularly in the Business sector, seem to adopt a version of trickle-down economics, i.e. even if they agree that inequality is a problem, they seem to believe economic growth would also solve (or at least work as a necessary condition to solve) poverty and inequality.

Nevertheless, redistributive policies are seen as necessary by most. When asked directly, strong majorities in both countries believe "redistribution policies are necessary" (BR: 95.5 percent and SA: 65.8 percent) rather than "should be avoided" (BR: 4.5 percent and SA: 30.4 percent) –

[7] The other options were "maintain the order in the country" (Brazil: 1.1 percent, S. Africa 2.2 percent); "integrate with the world market" (Brazil 6.1 percent, S. Africa 1.6 percent), "build stronger relationships with countries of the region" (Brazil 0 percent, S. Africa 1.6 percent), "protect the environment" (Brazil: 0 percent, S. Africa 0.5 percent). It is probably worth of notice the lack of relevance of the environment issue in both countries.

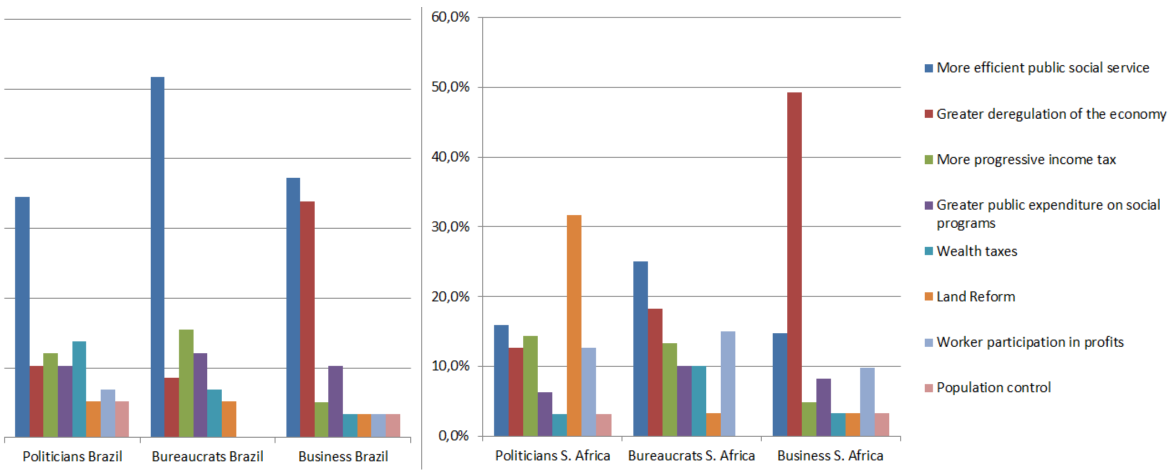
the lower support in South Africa is driven by business elite preferences, who are split. This raises the question of how redistribution should be done and what policies are more desirable or viable.

How to solve inequality: the role of the State and redistribution policies

Across sectors, elite interviewees in Brazil and South Africa largely agree that government has the main responsibility for combating poverty and inequality (BR: 78.9 percent and SA: 72.8 percent).[8] Elites also agree with the need of more government investment in areas like infrastructure (BR: 93.3 percent and SA 91.8 percent), education (BR: 92.8 percent and SA 81.5 percent) and health (BR: 93.3 percent and SA: 71.7 percent).

Nevertheless, once again, there are important sector differences. On average, the support of business elites to more government expenditures is weaker. In addition, they also more strongly support less regulation over private business (BR: 81.6 percent and SA: 80.4 percent) and the speeding up of privatization programs (BR: 93.3 percent and SA: 73.8 percent). Respondents from other elite sectors are more evenly split in supporting those initiatives. In fact, as shown in Figure 3, when asked about what should be the most important initiative for reducing inequality, more than one third of Business elites in Brazil and nearly half of the Business elites in South Africa point to “less economic regulation.” This is in contrast with less than 20 percent across Bureaucrats and Politicians in both countries, who choose more often better public services. In short, business elites in both countries are very consistent in their support to a smaller State and a free market but, as also shown in Figure 3, the claim for a more efficient state seems to be widespread across elite sectors.

Figure 3: Most important initiative in reducing inequality (single choice) by sector, Brazil and South Africa



Source: Survey Elites and Perceptions of Inequality (NIED/UFRJ 2014), own compilation.

[8] In Brazil, “organized civil society” comes second, with 26.7 percent of business elites pointing to this actor as the main responsible. In contrast, in South Africa, “people like you” comes in second place, mentioned by 18.3 percent of bureaucratic elites and 11.5 percent of business elites.

Nevertheless, the desire for more or less investment in different social policies is not necessarily a consequence of preferences for more or less state, but may be an assessment of their viability. In Brazil, in particular, the claim for more efficient social services appears by far as the most important initiative to reduce poverty and inequality. This perception of inefficiency of social services may explain why across elite sectors greater public expenditures on social programs is not a popular option to combat poverty and inequality, cited by only 11 percent of Brazilian and 8.2 percent in South Africa. When asked directly if government should spend more or less on social grants (such as direct cash transfers), business elites once again stand out as the sector in which the majority believes there should be less resources invested in social grants (BR: 52.5 percent and SA 54.10 percent), with the remaining 40 percent largely believing there should be the same quantity. The other two elite sectors tend to align more along national patterns. The majority of Brazilian bureaucratic and political elites support the same (Bureaucratic: 52.5 percent and Political: 43.3 percent) or more (Bureaucratic: 28.8 percent and Political: 38.3 percent) investment in social grants. In contrast, in South Africa, the majority of bureaucratic and political elites support the same (Bureaucratic: 56.7 percent and Political: 38.10 percent) or less (Bureaucratic: 35 percent and Political: 33.3 percent) investment, with 28.6 percent of South African political elites also supporting more.

When we ask respondents about the desirability and viability of a number of social policies – targeted and universal – we found that some were perceived as both desirable and viable by nearly all (e.g. policies to give poor students access to universities) while others were perceived as undesirable and unviable (e.g. basic income grant for everyone over 25). A few policies, however, were perceived as desirable but unviable (e.g. free universal access to health service) and, finally, a few policies were perceived as undesirable but viable (e.g. food distribution program for the poor or preferential admissions in the universities or racial quotas in Brazil).

Across nearly all proposed policies, Brazilian elites tended to believe policies as more desirable than South African elites. But it is perceptions about viability that are the most different. For example, while Brazilian (93.3 percent) and South African (90.8 percent) elites believe free universal access to health care is desirable, 70.6 percent of Brazilian interviewees believe that it is viable, while 47.8 percent of South African elites think likewise. Regarding the differences across elite sectors, on average, political elites tend to see policies as more desirable and viable than business elites and, to a lesser extent, than bureaucratic elites. For example, nearly two thirds of political elites in Brazil (64.4 percent) and nearly half in South Africa (49.2 percent) believe a basic income for all those older than 25 years old is a desirable policy. In contrast, only 23.7 percent of the business elite in Brazil and 18 percent in South Africa think likewise. When it comes to viability, half of the Brazilian political elites and nearly one-third (31.7 percent) of South African elites believe a basic income would be viable. In Brazil, the views of bureaucratic elites fall somewhere between those of their political and business counterparts and are close to those of the South African political elites we interviewed. While the South African reality of strong unemployment and the Brazilian history of informality may be shaping the perceptions of viability, it is clear that, with the exception of political elites, most South African and Brazilian elites do not believe basic income is a desirable (or viable) policy.

The reasons for desirability (or undesirability) of social policies may also be related to respondents' views on the inability of these policies to deliver redistribution or to a perception of their unintended consequences. In the questionnaire we explored participants' perceptions about social grants in a series of statements about potential benefits and possible negative consequences of these policies.[9] Overall, Brazilian elites were much more optimistic than South African elites about the potential of social grants to decrease inequality (BR: 83.3 percent vs SA: 51.1 percent), stimulate the economy (BR: 81.1 percent vs SA: 48.9 percent) and encourage families to keep their children in school (BR: 76.7 percent vs SA: 63.1 percent). South African elites were more prone to agree with statements about the negative consequences of social grants than Brazilian elites, such as that they generate disincentives to work (70.1 percent vs 58.3 percent), encourage families to have more children (57.6 percent vs 34.6 percent), and lead to political patronage (78.9 percent vs 67.2 percent). In the latter dimension, the distance between Brazil and South African elites is not larger because 91.7 percent of Brazilian business elites agreed with the statement, as opposed to only 50 percent of political and 60 percent of bureaucratic Brazilian elites. [10]

Taking stock and moving forward

In this paper, we have presented a few results from our elite survey in Brazil and South Africa. In so doing, we have highlighted three important dimensions to elite studies missing from the bulk of recent work in the field. First, we have found and analysed important differences across elite sectors. Second, we have found cross-national differences not only in perceptions about causes and consequences of inequality, but also in preferences towards redistribution policies. Finally, we have explored the justifications for *why* elites in both countries seem to be unsupportive of redistributive policies and *how* they may find them more desirable and viable, but a better understanding requires new research directions, proposed towards the end of this section.

Elites' redistribution preferences in Brazil and South Africa are much more heterogeneous than usually assumed in previous studies about elites. Part of the reason for this perception of homogeneity may be in the focus of the recent literature on economic elites. In fact, our survey results show a striking homogeneity of the preferences of business elites when compared to political and bureaucratic elites. Across countries, business elites consistently chose more economically liberal options in their goals for government priorities and proposed solutions for poverty and inequality. In this sector, the so-called trickle-down growth strategy seems to have a stronghold. The attachment to market-oriented solutions is not, however, an indicator that business elites are insensitive to inequality. Business elite interviewees were also the ones that more cohesively related inequality to externalities such as crime and patronage, which also point to a stronger view of the poor as a threat or a burden.

In contrast, political elites are as the most diverse sector. This may partly be a result of our sampling strategy, based on party membership, but it also points to the diverse opinions present in the legislative branches of both countries. While their widespread perception of redistribution policies as desirable and viable, in particular their stronger support for radical policies like universal income, may be perceived as part of electoral strategies, they also show what politicians perceive as the socially desirable outcomes in their societies. In addition, the fact that

[9] In the question of the consequences of social grants, we asked in particular about *Bolsa Familia* in Brazil, while in South Africa we framed the question more generally on social grants, due to the lack of a comparable program.

[10] The perception of political patronage as the most negative consequence of social grants is consistent with the perception that there are still important obstacles to the consolidation of democracy in these two countries. While in 2013 and 2014, when fieldwork for this research was conducted, this perception was stronger in South Africa (83.2 percent) than in Brazil (62.8 percent), this is likely to have changed after the impeachment of Brazilian president Dilma Rousseff and the judicial instability of the 2018 political elections. Nevertheless, in both countries poverty and inequality were mentioned among the most important obstacles to democratization.

political elites seem distant from business elites raises the question of how this distance is playing out in actual legislative power – are political elites in Brazil and South Africa able to maintain independence or are they limited by institutional or funding hurdles, as have been argued for the case of political elites in the developed world (Gilens 2012)?

In the case of bureaucratic elites, it is interesting how they positioned themselves very differently in the two countries. While in Brazil, bureaucratic elites tend to place themselves closer to political elites, in South Africa they were closer to business elites (surprisingly, in the opposite direction that the socioeconomic profile of the two groups would have predicted). Since both bureaucracies were shaped by left wing governments, this raises the old question of different relationships between politicians and bureaucrats and their actual influence in the implementation of social policies in the two countries (Aberbach et al. 1981).

Overall, the results show that inequality is perceived as a problem in these two societies (even if there is also a strong perception of improvement) but how inequality ranks in relation to other problems, and what are the perceived solutions to it, vary across countries. On average, South African elites hold a more economically liberal understanding of inequalities, and seem to be more cynical towards the role (and viability) of social policies. Brazilian elites, in contrast, were more open to redistributive policies and their potential in redressing inequalities. It is beyond the scope of this paper to analyse how different regimes of welfare state (e.g. the fact that South Africa invests already 3 percent of its GDP in redistributive policies and inequality is still growing or that Brazil has experienced a decline in inequality in the past decades) may drive national differences, but they are likely to shape the perceived possibilities of distribution – as illustrated by the perceptions of desirability and viability of redistribution.

As a next step we hope to follow up with the understanding on these preferences, and better explore the questions raised in the last paragraphs, through in-depth interviews. Building on the idea of elite diversity, we want to explore whether and how elites' support for redistribution in contexts of high inequality is also explained by how they perceive institutions and actors defending and implementing redistribution. By focusing on their understandings of inequality and of how and by whom redistribution should be done, we want to unpack elite narratives about economic growth, efficiency, state regulation and corruption in order to understand how these narratives are mobilized to generate suspicion or trust across elite groups. As countries with long histories of inequalities but also with relevant elite diversity, Brazil and South Africa provide interesting cases to explore these issues.

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