

ABSTRACT

Post-apartheid South Africa is one of the most unequal societies in the world and is experiencing rising intra-racial inequality. While the government continues to attempt to enact policies that decrease income inequality as conventionally measured, this paper suggest that the nature of inequality as a socio-political problem is better understood through the analysis as a subjective perception relative to reference groups, and expectations. An empirical review revealing the impact of subjective inequality on individual well-being suggests that policymakers could attempt to influence perceptions of inequality in order to increase individual utility and thereby, in light of the apartheid legacy, foster support for the democratic regime much needed to aid per capita GDP growth.