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**Black tax and the vulnerability of the emerging
middle class**

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ABSTRACT

Although literature on the emerging middle (EMC) class is still nascent, the available literature on this group indicates that the EMC is growing and have benefitted from economic growth. This research study proposes that the EMC is unique from the established middle class. In the South African context, this group is affected by the burden of black tax, which has no empirical definition in academic literature. Furthermore, limited literature explicitly links the EMC with vulnerability. Guided by these statements, black tax and vulnerability are investigated to determine the link between these two concepts within the EMC context.

Using exploratory qualitative research, 18 individuals that have experienced black tax in their lives were interviewed to gain insights on black tax and vulnerability in the context of the emerging middle class. The insights gained from the interviews provided the data that was thematically analysed and formed the basis of the findings of this study.

The findings contributed to the research by revealing a definition of the phenomenon of black tax. Further, the research findings revealed that the EMC are vulnerable suffer from financial and emotional vulnerability due to the lack of choice and resources deficits that are related to being the benefactors of black tax. Thus supporting the argument that they are unlike the invulnerable established, Western middle class. All findings were integrated to produce a nascent framework of the understanding of black tax and vulnerability, which extends literature and provides an understanding of consumer in emerging markets.

KEY WORDS

Black tax, vulnerability, emerging middle class

DECLARATION

I declare that this research project is my own work. It is submitted in partial fulfilment of the requirements for the degree of Master of Business Administration at the Gordon Institute of Business Science, University of Pretoria. It has not been submitted before for any degree or examination in any other University. I further declare that I have obtained the necessary authorisation and consent to carry out this research.

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Signature:

Date: 7 November 2018

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CHAPTER 1: INTRODUCTION TO THE RESEARCH PROBLEM

1.1 Background to the research problem

Is the middle class invulnerable? The impression of the middle class invokes images of a group that is in a relatively privileged position (Kravets & Sandikci, 2014), with members' income, expenditure and conspicuous consumption being defining factors. Furthermore, their appetite for consumption and appreciation for quality goods, supported by their well-paying jobs, has led to them being described as the engine of economic growth (Banerjee & Duflo, 2008; Resnick, 2015; Song, Cavusgil, Li, & Luo, 2016). For this reason, they are seen as people who do not require social safety nets, unlike their lower class counterparts (Stampini, Robles, Sáenz, Ibararán, & Medellín, 2016). Moreover, middle class qualities associated with this group include stability and invulnerability to shocks (Banerjee & Duflo, 2008; Burger, Steenekamp, Berg, & Zoch, 2015). However, if one considers the emerging market environment and its economic burdens, this might not be the case, particularly given the attendant phenomenon of "black tax".

1.2 Black tax

Black tax and its impact on the lives of black South Africans has been acknowledged in popular literature, with newspaper headlines such as "How black tax cripples our youth's aspirations", "The burden of black tax", "Black tax hitting pockets hard", "Black tax and saving: don't become the family ATM" (Chabalala, 2016; Fengu, 2017; Ngwadla, 2018; Nt'sekhe, 2017; Ratlebjane, 2015). Furthermore, it is often also associated with negative comments from the individuals affected by it. One such comment from a newspaper article stated that an interviewee felt "like she is paying her mother for giving birth to her" (Ngwadla, 2018). Black tax exemplifies the financial burden faced by the emerging middle class in South Africa.

These headlines paint a negative picture of black tax and its impact on the "tax payers". It is certainly the reality of many emerging middle class South Africans, who are faced with the burden of providing for their families by sharing their salaries, leaving them with little disposable income to invest in assets and savings (Ngwadla, 2018). This narrative of resource sharing with kin networks is not unique (Beyene, 2014; Stewart, 2015; Yang, 2011), however this research argues that South Africa is an extreme case.

The term black tax has not been defined in academic literature and remains a term used colloquially. There has been no conceptual clarity on the subject and the literature on it is still nascent. In the media and popular culture it is used to describe the experiences of disadvantaged black south Africans relating to the sharing of salaries with family members, at times to their financial distress (Ngwadla, 2018). The effects of black tax often includes reduced disposable income and savings of individuals (Coetzee, 2018; Fengu, 2017). Magubane (2017) described black tax as the economic and social support the middle class provides to their family networks and includes money, shelter, food, clothing, etc., however, defining tax was not the focus of the study. The benefactors of black tax can be likened to are the so called “sandwich generation” caught between supporting their families and their parents, identified by saving less and less because they use their disposable income on their financial responsibilities. This phenomenon is perhaps evidence of the structural inequalities inherent in the South African society.

Black tax reframes the traditional notions of resources and assets in the context of emerging markets. In this case individuals are the resources and assets used improve the economic situation of their kin. This ultimately affects the attractiveness of the middle class, because the “arrival” into the middle class is no longer associated with consumption and access to resources, but rather with limited resources and disposable income to save or invest. Moreover, black tax challenges the conventional notions of income flows, in this case income flows first to fulfil family obligations prior to serving the needs of the consumer. It also reinforces the notion of asset deficits of middle class consumers because individuals are unable to afford assets due to the responsibilities that come with the new middle class status.

Black tax is posited to also perpetuate the economic injustices and structural inequalities that defined the past regime in South Africa, instead of people prospering and acquiring assets, they are forced to make decisions that are detrimental to their financial prosperity (Magubane, 2017).

1.2.1 Relevant social theories

The theories of social networks and social capital are fundamental in the understanding of black tax in the context of this study. Black tax inheres in the relationships between family members i.e. familial networks, thus is positioned as a social network. It is both a bonding and bridging network, which helps people with these networks survive and advance by providing access to resources and opportunities (Stanley, Stanley, & Hensher, 2012). Social capital networks are known to have a positive impact on the socioeconomic statuses of

individuals who have access to the resources provided by these networks (Chantararat & Barrett, 2012; Lin, 1999), hence black tax is argued as being a facilitator of better socioeconomic conditions for those who access it.

Moreover, black tax can be parallel to social capital that inheres in family relationships (Coleman, 1988; Prandini, 2014), because it provides access to family support that is engendered by reciprocity between generations, mutual help, interpersonal trust.

1.3 Vulnerability

Vulnerability has different definitions according to the context. Blocker et al. (2013) described vulnerability in the context of the felt deprivation, choice and powerlessness of the consumer, while Baker, Gentry and Rittenburg (2005) introduced vulnerability in the context of the consumer as the state of not being able to accomplish consumption goals due to being powerless or having no control. In the context of idiosyncratic shocks, it is noted that social processes at play render individuals vulnerable to disaster due to the unequal exposure to risk, which is reflective of the power dynamics in society (Bankoff & Hillhorst, 2013). Comparatively, vulnerability in the context of the middle class has been recognised as the probability or likelihood of dropping below the poverty line over time (Ronelle Burger, Louw, et al., 2015; Dutta, Foster, & Mishra, 2011; Torche & Lopez-Calva, 2013). Moreover, Ligon and Schechter (2003) proposed that vulnerability is the risk to household welfare associated with having fewer resources.

1.4 Focus of the current study: vulnerability and application to the emerging middle class

While some studies related to the Latin American middle class portray this group as one that is progressively attaining upward mobility due to favourable economic conditions, this research study is aimed at challenging this narrative. It proposes that the emerging middle class is impacted by vulnerability of operating in emerging markets (Lopez-Calva & Ortiz-Juarez, 2011; Stampini et al., 2016; Torche & Lopez-Calva, 2013), which are characterised by resource deficits and institutional weaknesses (Sheth, 2011; Zoogah & Peng, 2015). Vulnerability of the consumer is also related to power (Baker et al, 2005; Blocker et al., 2013). Power in the context of the consumer is defined by resources and choice (Blocker et al., 2013), with powerlessness associated with a lack of choice and a lack of both tangible and intangible assets or resources. The study aims to frame black tax and link it to vulnerability of the new middle class consumer using elements of power (Baker et al, 2005; Blocker et al., 2013) and the risk of idiosyncratic shocks (Azeem, Mugeru, & Schilizzi, 2016).

Traditionally, literature has widely described the middle class as being associated with economic power, stability and mobility, however it ventures somewhat into the economic difficulties experienced by the emerging market middle class, caused by the burden of financially supporting family members, i.e. black tax. The study thus aims to determine whether black tax is a vulnerability of the emerging middle class.

1.5 Research objective

This research study aims to determine if there is a link between black tax and vulnerability in the the context of the emerging middle class. It intends achieving this objective by defining black tax and its determine what impact it has on the emerging middle class. It will then proceed by identifying the factors that impact the likelihood of vulnerability of the emerging middle class, while following this by determining what the emerging middle class identify as their points of vulnerability.

1.6 Academic relevance and contribution

Black tax is a South African concept with limited conceptual clarity and nascent literature, understanding and defining it will add valuable insight on the subject. Furthermore, literature on the middle of the pyramid consumer in emerging market is still nascent. The growth of the middle class in emerging markets and its appeal to Western multinationals has led to a growing body of literature that attempts to understand this group (Kravets & Sandikci, 2014; Ravallion, 2009; Resnick, 2015; Uner & Gungordu, 2016). This research has mainly focused on the features of the group, which includes its consumption patterns, its characteristics, and its importance in the developing world context (Kardes, 2016; Kravets & Sandikci, 2014; Ravallion, 2009; Uner & Gungordu, 2016). Furthermore, this group is identified as being distinctly different from the established middle class, because they engage in the market with limited resources (Kravets & Sandikci, 2014). Literature that exists indicates that the emerging middle class faces challenges that are unique, because they operate in environments that are characterised by market heterogeneity, chronic resource shortages, weak institutions, inadequate infrastructure and sociopolitical governance (Sheth, 2011; Zoogah & Peng, 2015). Moreover, these consumers are noted to carry the burden of providing support for their family members due to the duty or obligation to reciprocate (Falco & Bulte, 2011; Magubane, 2017). Whilst some studies in Latin America have linked the vulnerability of the emerging middle class with the likelihood of downward mobility (Torche & Lopez-Calva, 2013; Stampini et al., 2016), information regarding the vulnerability of the emerging middle class in terms of

vulnerability in the African context is limited and not well documented in literature. Western literature overall also lacks perspective on the emerging middle class, thus understanding it will contribute to this (Kravets & Sandikci, 2014). Moreover, vulnerability studies offer insights into what vulnerability is in the context of the consumer and individuals. However, limited literature found to date has viewed this group in terms of vulnerability and instability or linking them to vulnerability. Thus, this research aims to understand the emerging middle class in the context of vulnerability.

1.7 Business relevance and contribution

1.7.1 Marketers

Traditionally multinational companies have focused on wealthier consumers, creating products that cater for this market, however, they have ignored the huge potential presented by emerging market consumers (London & Hart, 2004). These consumers represent great opportunities and challenges as well (London & Hart, 2004). It is thus critical to understand what these challenges are and how they shape consumption behaviour in these markets. Notwithstanding this, in recent times media and marketers are increasingly showing interest in the expanding emerging middle class, as its size highlights its growing consumer power (Kravets & Sandikci, 2014; Ravallion, 2009; Song et al., 2016). However, Thurlow, Resnick, & Ubogu (2015) asserted that this group still faces economic challenges and limited prospects for social mobility. This element of the middle class and its history of asset deficits influences their consumption patterns (Ronelle Burger, Louw, et al., 2015; Chipp, Kleyn, & Manzi, 2011). Understanding the lived experiences of the emerging middle class has implications for product positioning and marketing campaigns (Kravets & Sandikci, 2014), as well as the creation of services and products that will cater for this vulnerable group (Blocker et al., 2013).

In the South African context, this group has grown significantly since the end of the apartheid era, with an estimated increase from 0.3 million to 3 million within the period 1993-2012 (Kotze et al., 2013). However, the group is in a precarious and vulnerable position due to asset and resource deficits caused by historical disadvantages (Ronelle Burger, Louw, et al., 2015; Thurlow et al., 2015). Furthermore, the burden of black tax impacts the consumption of this middle class, impacting its acquisition of assets and general consumption patterns.

1.7.2 Policy makers

Studies conducted on the Chilean middle class indicate that vulnerability is at times influenced by factors such as the volatility of the income of individuals above the poverty line; the replacement of long-term employment contracts with short-term, task-based labour

arrangements; and segmented access to healthcare, education and pension systems (Torche & Lopez-Calva, 2013). This highlights the importance of social security in preserving the middle class, through policies that support the betterment of their living standards. This is important as it speaks to both formal and informal social safety nets. Consequently, if a government is unable to provide formal safety nets, the implications are that citizens will rely on more informal social security provided by the larger family group, such as black tax. This results in continued financial pressure on the individuals already providing support for their families.

1.8 Conclusion

This chapter presented the introduction to the research. It outlines the significance of black tax in the lives of the South African emerging middle class. This research will attempt to find a relationship between vulnerability of the emerging middle class and black tax. Moreover, the research is significant for academics as there is limited academic literature on the vulnerability of the emerging middle class and on the phenomenon of black tax. Therefore, understanding these in the context of the emerging middle class will provide information for business and policy makers to put in place policies and products that support this group.

1.9 Outline of the document

The introduction chapter will be followed by Chapter 2 which reviews the literature as it relates to the emerging middle class, social capital and vulnerability; this section will be followed by Chapter 4 which outlines the methodology that was followed to gather data for this research and its subsequent analysis. Chapter 5 presents the analysis of the results that were found by the data collection and analysis; this section is followed by Chapter 6 which presents a detailed discussion of the findings uncovered in Chapter 5 and in conclusion Chapter 7 concludes the study by detailing the main findings and makes recommendations and suggestions for future research

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction

In order to explore and investigate the impact of black tax on the vulnerability of the emerging middle class the chapter commences by painting a brief introductory picture of the South African middle class and black tax. It will then undertake to understand the middle class and the emerging middle class by reviewing literature on their characteristics in the emerging market context. This is followed by an exploration of social capital literature, which is an important theoretical foundation for this study as black tax is posited to be a form of social capital. This section will be followed by a review of the literature on vulnerability in the context of the study. In summary the literature review describes the vulnerability, the emerging middle class and social capital with the aim of understanding the links between these concepts in the South African context.

2.2 Brief introduction to the South African emerging middle class

The emerging middle class in South Africa is perceived to be vulnerable because it has shallow roots and suffers from asset and resource deficits stemming from the pre-democracy era (Burger, Louw et al., 2015). It is also known for having high conspicuous consumption levels, which may be linked to the insecurity of new class membership (Burger, Louw et al., 2015; Chipp et al., 2011). In recent times, the term 'black tax' has gained popularity in the South African narrative, popularly describing the lived experience of black people across unequal societies who are broadly affected by resource deficits and broken family units (Magubane, 2017). Authors argue that the pre-democracy era has disadvantaged many blacks, putting them on an unequal standing to their white counterparts. However, no formal definition of black tax in the South African context exists.

The phenomenon of black tax has been described in popular literature as the burden placed upon individuals who give support to their immediate and extended families because of the impact of external and internal environments (Falco & Bulte, 2011; Magubane, 2017) and cultural obligations (Migheli, 2017). Furthermore, Magubane (2017) found that blacks growing up in the environments described above have a strong sense of family bonds and the value of Ubuntu, thus they shoulder this burden of supporting their families.

Support in the context of black tax is both social and economic (Magubane, 2017). A critical point to note in the definition of black tax is that the support comes from individuals who have

“made it”, i.e. they are earning an income (Falco & Bulte, 2011; Magubane, 2017). The resources they share include money, shelter, knowledge, food and clothing (Magubane, 2017).

Magubane (2017) found that the internal and external spheres of influence that foster black tax include inequality, high unemployment levels and broken family structures. These conclusions were drawn based on the context of the black middle class in South Africa, which has been found to suffer from the effects of the pre-democracy era (Burger, Louw, et al., 2015; Burger, Steenekamp, Berg, & Zoch, 2015; Chipp et al., 2011; Mattes, 2015). Whereas there is literature on the uniqueness of the emerging middle class (Kravets & Sandicki, 2014; Mattes, 2015; Ravallion, 2009; Song et al., 2016), there is little focus on the complexities of black tax and how it impacts the vulnerability of this group.

2.2.1 The emerging market

Emerging market consumers operate in an environment that is characterised by resource deficits, market heterogeneity, socio-political governance, inadequate infrastructure and unbranded competition (Sheth, 2011). Similarly, Zoogah and Peng (2015) indicated that emerging markets are diverse and characterised by deficits in resources and weak formal institutions that are supplemented by informal institutions, which make operating in these markets difficult, but not impossible. Certain factors that are often taken for granted in the Western context must be considered when operating in emerging markets (Zoogah & Peng, 2015), e.g. a lack of access to healthcare, education, retail facilities and affordable products (Baker et al., 2005) impact the emerging middle class consumer.

Kravets and Sandicki (2014) noted that the emerging middle class are aware that they live in environments that are unlike the established Western markets, yet most research has chosen to focus on their typical middle class characteristics, such as spending patterns and values (Liu, 2016; Mattes, 2015; Uner & Gungordu, 2016). Limited literature found to date has viewed them in terms of instability and vulnerability.

2.3 The middle class

Who is the middle class? The understanding of the middle class is critical for this research as it aims to paint a picture of the emerging middle class in contrast to the established middle class. The core of this study is that the emerging middle class is different from the established middle class. The layman conjures up images of certain affluent lifestyles when the term middle class is discussed. In academia, this social class concept finds its origins in the works

of Karl Marx and Max Weber, the first of whom described the middle class as the bourgeoisie who own the means of production and are the buffers between capitalists and proletarians (Mattes, 2015). The latter described the middle class as individuals who have similar economic life chances (Mattes, 2015). Moreover, the middle class has been described as the engine of economic growth, due to its contribution to the economy through consumption that is supported by stable, well-paying jobs (Banerjee & Duflo, 2008; Resnick, 2015). The established, Westernised middle class also operates in developing worlds that have advanced markets and political landscape (Banerjee & Duflo, 2008), characterised by strong institutions, stability and resource abundance (Sheth, 2011; Zoogah & Peng, 2015). The consumer is characterised by their willingness to pay extra for quality (Banerjee & Duflo, 2008). Burger, Steenekamp et al. (2015) were of the view that the middle class consists of households that have a low probability of falling below the poverty line. Comparatively, this group has been identified as those who have escaped poverty and hence do not require any social safety nets (Stampini et al., 2016).

Some authors view the term middle class as a contextually expansive construction, which is subject to different claims made by sociologists, politicians and economists to suit their narrative (Iqani, 2017, p 17). With vast amounts of literature defining the middle class in the context of the developed world, one approach to describe the middle class is the income distribution approach, which defines the middle class as individuals who are concentrated in the middle of this distribution (Ravallion, 2009). Comparatively, Thurlow, Resnick, and Ubogu (2015) distinguished between the relative and absolute approach to the definition of the middle class, with the latter focusing on a certain threshold corresponding to income distribution, and the former defining the middle class based on a particular level of income or expenditure.

Additionally, the income distribution definition of the middle class places them between the 20th and 80th percentile of the consumption distribution (Banerjee & Duflo, 2008), while other approaches include using indicators such as education level, occupation, physiological security, asset ownership, income and consumption patterns to classify the middle class (Mattes, 2015; Lopez-Calva & Ortiz-Juarez, 2011; Resnick, 2015; Song et al., 2016; Thurlow, Resnick, & Ubogu, 2015). In contrast, some authors caution against the use of these external indicators, opting to identify the middle class as a “working social concept, a material experience, a political project and a cultural practice” rather than a fixed social category (Iqani, 2017, p. 106).

It argued that the emerging middle class does not particularly fit the Western world's description of stability and invulnerability (Kravets & Sandikci, 2014; Ravallion, 2009; Torche & Lopez-Calva, 2013). They operate in markets that are still developing, with limited formal structures to support this group (Sheth, 2011; Zoogah & Peng, 2015), furthermore the emerging middle class faces unique challenges, which are covered in the section below.

2.3.1 The middle class in emerging markets

The rise of the middle class in emerging markets has stimulated interest in emerging markets amongst Western multinational companies (Kravets & Sandikci, 2014; Ravallion, 2009; Resnick, 2015; Uner & Gungordu, 2016), while also becoming the subject of growing academic literature in an attempt to understand this consumer. Although the research spans vast and different geographical areas, there is a commonality in the profile of the emerging middle class or the new middle class, i.e. they are seen as well-educated, they work in a professional, non-farming sector, they live in urban areas (Kravets & Sandikci, 2014; Lopez-Calva & Ortiz-Juarez, 2011; Resnick, 2015; Uner & Gungordu, 2016), they possess material goods such as iPhones and televisions (Kravets & Sandikci, 2014), they have rising disposable income (Kardes, 2016; Liu, 2016; Uner & Gungordu, 2016), they are upwardly mobile (Kravets & Sandikci, 2014; Song et al., 2016; Stampini et al., 2016), and they have benefitted from economic restructuring and thus share values and interests (Kravets & Sandikci, 2014).

Literature indicates that the consumer in emerging markets is different from the developed world consumer, thus it is argued that the middle class in emerging markets also differs (Kravets & Sandikci, 2014; Ravallion, 2009; Resnick, 2015; Uner & Gungordu, 2016). Firstly, developing world is host to a growing middle class, referred to as the "new middle class" or the emerging class (Kravets & Sandikci, 2014; Uner & Gungordu, 2016), which is characterised by excessive consumption and rising disposable income, and whose members have undergone lifestyle changes since the 1980s (Kardes, 2016). Secondly, the instability and the risk of experiencing economic shocks due, in part, to their consumption behaviour (Chipp et al., 2011), may be a result of the insecurity at the new membership to the middle class (Falco & Bulte, 2011).

Emerging middle class consumers actively engage with limited resources, however they are also educated, are financially comfortable and are well-travelled (Kravets & Sandikci, 2014). In addition to their already overstretched financial resources, they also carry the financial obligation of providing support to their less fortunate kin (Falco & Bulte, 2011; Magubane,

2017). Their stretched financial resources are posited to be associated with their consumption behaviour, i.e. the conspicuous consumption of the emerging middle class leaves them greatly indebted (Chipp et al., 2011), meaning their financial resources also service this debt. Normative and moral obligations further impose a family tax burden, which places added financial pressure on the already struggling individuals (Falco & Bulte, 2011; Magubane, 2017). These obligations compel individuals to provide financial, material and emotional support to families (Göransson, 2013a). As the providers of support, the members of the emerging middle class have no one else to turn to in their families if they experience shocks such as a loss of income or property.

In other perspectives from emerging markets, Lopez-Calva and Ortiz-Juarez (2011) made an important emerging market distinction by including income in their definition of middle class. The authors defined the middle class according to the income level that offers individuals protection from regressing in poverty over time, which can be interpreted as the level of income that renders the middle class invulnerable and distinguishes between groups on the basis of economic security, stability and the prospects available to them (Burger, Louw, et al., 2015). This was determined to be a per capita income of between \$10-50 a day. Banerjee and Duflo (2008) also posited that the difference between the middle class and the poor lies in the type of employment they have access to, i.e. the middle class includes those who have stable income from a “relatively secure, salaried job”, whereas the poor work on a short-term contract basis which offers no job security, and they frequently have to migrate in search of jobs.

Overall, the impact of the emerging middle class on the political economy and the effects of changes to the political economy on the sensibilities of the middle class are recognised in all three contexts discussed (Kravets & Sandikci, 2014; Lopez-Calva & Ortiz-Juarez, 2011; Mattes, 2015; Stampini et al., 2016), corresponding with the established and extensive Western literature on the influence of the middle class on the economy. However, limited research exists beyond describing and profiling the emerging middle class (Kravets & Sandikci, 2014) and its position relative to the established Western middle class.

Turkish middle class

The Turkish middle class, which began emerging in the 1980s after political change in the country (Uner & Gungordu, 2016), can now access goods that were previously restricted by the state (Kravets & Sandikci, 2014). This is similar to the South African emerging class, which can now access goods and services that were previously inaccessible to them (Chipp et al., 2011). In addition, findings about the Turkish middle class reveal that they are well educated,

live in urban areas, self-identify as middle class, favour material possessions, and prioritise buying a house, education and a certain lifestyle (Banerjee & Duflo, 2008; Uner & Gungordu, 2016). Uner and Gungordu (2016) also found that the Turkish emerging middle class has positive saving habits and are cautious with bank credits, with only a limited number using bank credits, which is in contrast to the South African emerging middle class, which was found to make poor use of credit (Chipp et al., 2011). The conspicuous consumption of the emerging Turkish middle class can be contrasted with the emerging middle class of South Africa, which has been found to conspicuously consume as a result of the previous circumstances of the group (Burger, Louw et al., 2015; Chipp et al., 2011).

Latin American middle class

Authors from Latin America have posited a different view of the middle class, i.e. they argue that the middle class is not stable and secure, and is vulnerable to poverty (Torche & Lopez-Calva, 2013). Ravallion (2009) further suggested that due to the effects of the global economy, the emerging middle class is not stable and remains vulnerable to economic downturns and periods of low economic growth. Furthermore, this group does not fit the developed world narrative of middle class stability and invulnerability (Resnick, 2015); an individual may be classified as middle class by developing world standards, whereas developed world standards classify them as poor (Ravallion, 2009). Being a stable middle class in the developing world is not only about being in the middle of the income distribution, but it is also about emancipation from poverty, today and in the future. This includes being able to withstand external shocks and mitigate financial risks.

South African middle class

The conception of a stable middle class is somewhat contentious in the developing world context, as the middle class is still emerging and suffers from asset deficits and deprivation (Iqani, 2017). Sheth (2011) shared similar views, indicating that emerging markets suffer from a chronic shortage of resources. The South African context is also an example of an emerging market middle class, particularly because of asset deficits. The history of deprivation led to the lack of hereditary assets amongst black people and resulted in chronic asset deficits, which affects their consumption, values and decision making (Burger, Louw, et al., 2015; Burger, Steenekamp, et al., 2015; Mattes, 2015). The emergent black middle class has historically been linked with the possession of fewer resources and less asset ownership than their white counterparts (Burger, Steenekamp, et al., 2015), similar to the findings of Sheth (2011) on asset deficits and the Turkish emerging middle class (Kravets & Sandikci, 2014). Furthermore, in the South African context, the emerging middle class is racially represented by the

previously disadvantaged population groups (Burger, Louw, et al., 2015; Burger, Steenekamp, et al., 2015; Mattes, 2015) with a correlation found between class and colour (Adato, Carter, & May, 2006). This point of difference between some emerging markets and the South African emerging middle class is the history of political oppression which marginalised people according to race these resulting in inequalities in society (Burger, Louw, et al., 2015; Burger, Steenekamp, et al., 2015). Hence, the black tax affecting the black majority due to the country's history of socio-economic polarisation.

Burger, Louw et al. (2015) suggested that asset deficits have undermined the security of the emerging middle class, thus it is argued that the emerging middle class in South Africa, which still has shallow roots, is not stable and is therefore vulnerable. Moreover, Chipp et al. (2011) found that the increased consumption of products and services by middle class consumers negatively impacts individuals, as it leads to indebtedness created by the pressure of acquiring products and services. This consumer behaviour is a result of deprivation linked to apartheid era policies.

Obligation of the emerging middle class

The previous section discussed the deprivation of the South African middle class due to apartheid which resulted in inequality in the new democracy (Burger, Louw, et al., 2015; Burger, Steenekamp, et al., 2015; Mattes, 2015), similarly the Latin American middle class suffers from great inequality (Torche & Lopez-Calva, 2013). Deprivation and inequality resulted in wealthier individuals becoming the economic source of advantage for their family members. It is argued that this source of advantage is based on family relationships between individuals (Prandini, 2014). The emerging middle was found to have moral obligations through family ties and the principle of Ubuntu to ensure the well-being of their immediate and extended family (Falco & Bulte, 2011; Magubane, 2017). This is manifested through the financial support individuals provide to their kin (Falco & Bulte, 2011; Magubane, 2017). It is thus argued that financially supporting kin possibly impacts the vulnerability of the emerging middle class.

2.2.2 Social mobility

Social mobility is important to the narrative of the emerging middle class, thus it is crucial to understand it in the context of this social group (Kravets & Sandikci, 2014; Song et al., 2016; Stampini et al., 2016). Social class is driven by the mobility of people, and shapes the identities of individuals, the level at which they interact with society, where they live, what they consume, and how they perceive other's social classes (Paulson, 2018). Social mobility demonstrates

the ability of people to move upward or downward with regard to their economic and educational status, and is critical in understanding the movement of people up and down the social hierarchy (Kraus & Tan, 2015) and between social classes (Toubøl & Larsen, 2017). Interestingly, Friedman (2016) found that social mobility is causes to embattled feelings in individuals that migrate upwards. The authors also highlighted that the psychological effects of mobility have been passed over by scholars in the discussion of mobility, which focus mainly in the economic and occupational advantages (Friedman, 2016). Thus is an avenue in literature that can be explored in the context of the emerging middle class.

The concept of mobility is associated with an individual's revised economic status attainment in relation to their previous status (Matras, 1980; Toubøl & Larsen, 2017), which in turn is related to their shift in social position, social status and economic participation. Scholars of social mobility argue that mobility has multiple indicators, such as income, education, prestige, power, influence, community participation, consumption, knowledge, asset ownership, with education being defined as a fundamental requirement for social mobility for the emerging middle class (Song et al., 2016; Uner & Gungordu, 2016).

Mobility is important in the narrative of the emerging middle class (Kravets & Sandikci, 2014; Song et al., 2016; Stampini et al., 2016). This social class is defined by mobility based on attainment (Kravets & Sandikci, 2014), while the occupational attainment of individuals in emerging markets such as South Africa and China is dependent on their level of education, which has fostered the rise of the middle class (Burger, Steenekamp, et al., 2015; Song et al., 2016). It is thus crucial to frame the narrative of social mobility in the context of class.

Consumption patterns of the upwardly mobile emerging middle class have been widely discussed in literature (Burger, Louw, et al., 2015; Chipp et al., 2011; Kravets & Sandikci, 2014; Liu, 2016; Uner & Gungordu, 2016), and have been found to change as an individual moves from one social class to another (Song et al., 2016). This attainment of material goods has been associated with the “middle-ness” of defining the middle class (Kravets & Sandicki, 2014).

2.3 Social capital

2.3.1 Definition and context to study

The upward mobility is a characteristic of the emerging middle class, with Kravets and Sandicki (2014) positing that the attainment of material goods and education define a “middle-ness” of the emerging middle class. However, the mobility between classes is enabled or hindered by

access to social capital (Coleman, 1988), thus the importance of understanding social capital in the context of this research. has been described as a mechanism that facilitates the movement of people upwards or downwards within social classes. This study seeks to frame black tax as a form social capital and an asset for actors in social structures. Social capital theory is the theoretical foundation of this research, with social networks, social capital and kinship having been extensively discussed in literature, including their impact on the socioeconomic conditions of individuals and families (Chantarat & Barrett, 2012; Davern, 2006; Laud, Karpen, Mulye, & Rahman, 2015). Network ties remain fundamental to social capital theory, which are “relations or social bonds between interacting actors” (Davern, 2006). Social capital includes the resources that are accessed through social networks between actors (Lin, 1999). Bonding and bridging networks are two types of networks that are frequently referred to in literature (Stanley et al., 2012). Bonding social capital inheres in the relationships between individuals and their families or friends, assisting them to live on a daily basis (Stanley et al., 2012). Bridging social capital assist individuals to get ahead by providing opportunities and resources to enable the movement (Stanley et al., 2012).

Critical to the social capital narrative are the relationships between actors; social capital inheres in the structure of people’s relationships, which form the source of an individual’s advantage (Portes, 1998). Family ties are noted to be crucial forms of social capital that provide access to resources, and are most often based on the principle of reciprocity and trust (Rooks, Klyver, & Sserwanga, 2016). Family ties are one of the main premises behind the black tax phenomenon, which is driven by kinship networks. Furthermore, these kinship networks are leveraged to satisfy a need or want, with the individuals paying the black tax becoming a source of advantage for their family members (Magubane, 2017).

Portes (1998) dissects the basic functions of social capital as follows: The “(a) a source of social control; (b) a source of family support; and (c) a source of benefits through extra familial networks” (p. 9). Family systems are thus critically important to the social capital and black tax narrative. Portes (1998) relies on the work of Bourdieu to continue on the vein of resources and broke down social capital into these components, i.e. the social relationships that allow individuals access to their associates’ resources, and the quantity and quality of these resources; and the vehicle through which individuals can gain access to economic resources.

Resources in social capital

Accessibility to and the mobilisation of these resources is at the core of social capital theory. Resources in the context of social capital include the actor who is the source of the capital

(Coleman, 1988), as well as their material and financial resources (Pichler & Wallace, 2009) and their access to knowledge, skills, information and contacts (Portes & Landolt, 2000). Laud et al. (2015) found that these resources are embedded in social structures, and access to these resources is gained through individuals' relationships within these structures. Consequently, access to, and the use of, these social resources are able to lead to better socioeconomic statuses and enable actors to escape from poverty (Chantararat & Barrett, 2012).

Sources of social capital

Portes and Landolt (2000) identified sources of social capital, altruistic and instrumental, which represent the ability to obtain resources with consequences attached to them (see Figure 1 below). The altruistic source is the sharing of resources based on moral obligations and solidarity with members of the same community, i.e. ethnicity, religious or territorial. The instrumental source of social capital is characterised by donors who provide access to resources with the expectation that they will receive full returns from the beneficiaries (Portes & Landolt, 2000; Rooks et al., 2016).

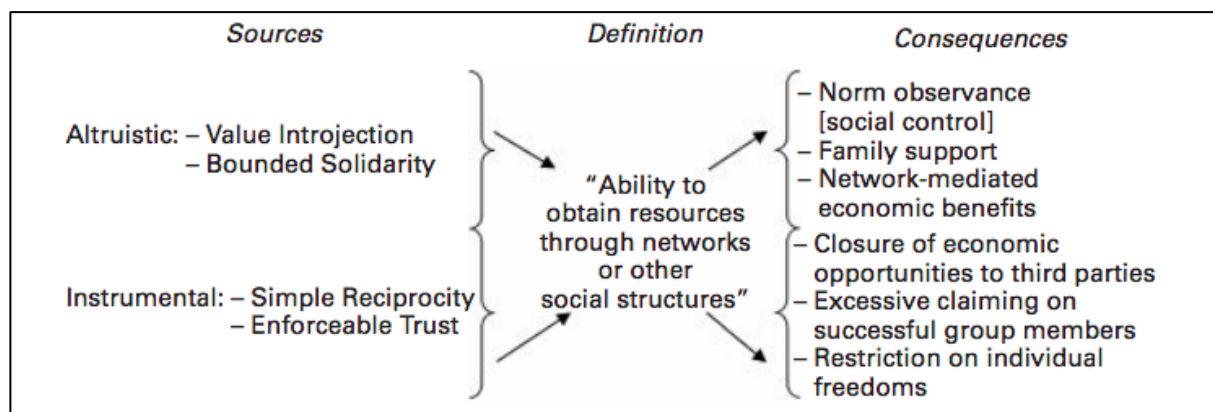


Figure 1: Individual Social Capital: Sources and Effects Source: Portes and Landolt (2000)

The presence of social capital provides the means to achieve certain ends, which would otherwise not be achieved if it was absent (Coleman, 1988). Comparatively, Lin (1999) as “those resources that are embedded in the social structure, which can be accessed to fulfill certain purposive actions” (p.35). This was corroborated by Laud et al. (2015), who highlighted the importance of embeddedness in the acquisition of resources. Similarly, Adler and Kwon (2002) viewed social capital as a form of a resource that is embedded in an actor’s social structure.

Social capital and social structures

Adler and Kwon (2002) posited that social structures fall into three types of relationships, i.e. market, hierarchical and social, with the social relationship being relevant to the context of this study. The social relationship aspect is concerned with the exchange of gifts or favours, with the understanding that a favour for an actor today will be returned someday, but there is no explicit time horizon for the favour to be returned. Similarly, Portes (1998) noted that social capital is based on the principle of reciprocity, whereby access to resources is donated by those who possess them, with the expectation that this gesture will be repaid in the future, but the conditions of repayment are not bound by time. These favours can be linked with the altruistic and instrumental sources of social capital discussed above, whereby the sharing of resources is underpinned by moral obligations.

Family social capital

The notion of family as a source of welfare is not foreign in the South African context and has been promoted in Asian (Göransson, 2013b) and Italian societies (Prandini, 2014). Concepts similar to black tax are not foreign and have been found in the Singaporean society where they are exemplified by the concept of “*kampong*”, which indicates the solidarity and community spirit between people (Göransson, 2013a). The Singaporean society traditionally upheld values of family bonds whereby children carry responsibility and are expected to produce support for their parents, furthermore extended families also played crucial roles in the lives of individuals (Göransson, 2013a). Moreover, in the family oriented society of Singapore, taking responsibility and providing for parents is statutory (Göransson, 2013a). The literature has indicated that social capital in the form of kinship ties provides crucial capital for the wellbeing and social mobility of families (Falco & Bulte, 2011; Göransson, 2013a; Migheli, 2017), and further notes the importance of parent-child and sibling relationships in providing economic assistance (Bubolz, 2001; Göransson, 2013). Family members depict altruistic and caring behaviour, and will provide assistance to other family members in order to ensure their wellbeing (Di Falco & Bulte, 2013). Notwithstanding this, Magubane (2017) found that this support impacts individuals by hindering their economic and personal development, indicating a negative side to family welfare support.

The emerging middle class as a source of social capital

Social capital can play a critical role for the economic situation of the emerging middle class (Chantarat & Barrett, 2012). As mentioned, this group has historically suffered from a lack of access to resources (Burger, Louw, et al., 2015) and currently engages with limited resources (Kravets & Sandikci, 2014). Social capital is identified as being critical in helping to absorb economic shocks (Maluccio, Haddad, & May, 2000) and leads to a better socioeconomic

status of individuals (Chantarat & Barrett, 2012; Davern, 2006; Domínguez & Watkins, 2003; Lin, 1999; Migheli, 2017). Comparatively, Magubane (2017) found that family obligations as a social capital, played a critical part in improving the socioeconomic status of the emerging black middle class. Social capital has been used as a means for some members of a social class to get ahead, as indicated by the black middle class in South Africa who have used their social ties to access resources (Magubane, 2017). Furthermore, these obligations help individuals attain a higher economic status by their association with the wealthier benefactor (Magubane, 2017).

Moreover, it is posited that the presence of social capital, in the form of family ties, is important in developing countries where informal and formal institutions are not well established and do not function well (Rooks et al., 2016; Sheth, 2011), as it grants access to resources for those who do not have. Similarly, social capital is proposed to stabilise the livelihoods of poor households (Adato et al., 2006). It is thus argued that people in the emerging middle class who have achieved mobility can be a source of advantage and improve the socioeconomic condition of their kin who are not as well-off. Adler and Kwon (2002) described social capital as being an asset in which resources can be invested and from which returns are expected, however these returns are not only monetary. It has been argued, however, that social capital may increase the vulnerability of individuals due to the dependency that it creates between people.

Social capital and psychological health

Giordano and Lindström (2011) demonstrated the link between social capital and psychological health, confirming that the cognitive social capital measure of trust is positively associated with psychological health over time. Furthermore, they found that marriage protects individuals against declining psychological health over time, and protects people through emotional and financial support mechanisms.

Downside of social capital

In contrast to the benefits of social capital, the sharing of resources may have a negative effect on the actors (Portes, 1998). Over embeddedness of relationships, such as feelings of obligation and friendship, may lead to one part of the relationship being the source of social capital and thus put pressure on the other actor (Adler & Kwon, 2002). The complexities of social capital indicate that one actor's advantage from social capital may be a disadvantage for the other actor involved (Lin, 1999). It is thus important to understand the impact of social capital on the providers of the social capital as well as the receivers (Adler & Kwon, 2002), who may be dependent on forms of social capital for their wellbeing (Falco & Bulte, 2011;

Magubane, 2017). Furthermore, certain aspects of social capital have been found to negatively impact members of the lower classes, e.g. in societies characterised by inequality, the higher classes tend to have more access to intensive and extensive social capital and may bar lower classes from accessing resources (Pichler & Wallace, 2009; Portes, 1998).

2.3.2 Social capital and class and the relationship between the two

Social capital is inherent in different class structures; however, the type of social capital is dependent on the class. Some authors have noted that members of higher classes have access to more intensive, extensive and heterogeneous forms of social capital i.e. enjoying contact with various groups of people or the number of memberships in different organisations, whereas the lower classes have access to more homogeneous forms of social capital i.e. only access capital within their deprived communities (Pichler & Wallace, 2009). Pichler and Wallace (2009) found social capital to be socially stratified, with higher social classes having access to a broader range of networks due to their formal associations and knowing more people, whilst lower or working classes do not. Furthermore, in highly unequal societies, upper classes have been found to possess more social capital, which benefits a certain group and bars access to resources (Pichler & Wallace, 2009; Portes, 1998).

Thus, it is argued that the emerging middle class, which is new to the social class and engages with limited resources in unequal societies, does not possess the same levels or enjoy the same benefits of social capital as the higher classes or the established 'Westernised' middle class. This means that the emerging middle class who are the focus of this study are disadvantaged by virtue of their social class. Moreover, it means that their networks are primarily those within their communities, who are also disadvantaged, thus increasing the inherent disadvantage that this group has, therefore the odds are stacked against this group from the beginning and impacts their narrative of being middle class.

2.3.3 Social capital, social class and social mobility

Social capital has been described as a mechanism that facilitates the movement of people upwards or downwards within social classes (Stanley et al., 2012). Although differential access to social capital exists, it is argued that it is still a way for individuals to gain an advantage other than through economic capital using the resources embedded in their social networks, and can lead to large returns, such as better jobs, to those who exploit these resources (Lin, 2000). Moreover, it has been found that the exploitation of resources helps individuals escape from poverty (Chantarat & Barrett, 2012), and thus indicates the importance of social capital to upwards mobility. Comparatively, it is argued that social capital helps absorb economic shocks (Maluccio et al., 2000) and leads to a better socioeconomic

status of individuals (Chantarat & Barrett, 2012; Davern, 2006; Domínguez & Watkins, 2003; Lin, 1999; Migheli, 2017), thus providing security to individuals and fostering upward mobility between social classes (Domínguez & Watkins, 2003).

2.3.4 Conflicts around social capital and social mobility

Stratification studies have cited social capital as an explanation for mobility. Social network connections have been found to be instrumental in furthering individual and occupational mobility, and are a key resource in the fostering of entrepreneurial activities (Portes, 1998). Furthermore, social networks are crucial in assisting the poor to escape poverty (Chantarat & Barrett, 2012). Notwithstanding the positive linkages between social capital and social mobility, opposing views of the negative impact of social capital on mobility exist, for example social networks have been found to inhibit social mobility through the enforcement of limiting expectations on women (Domínguez & Watkins, 2003). Similarly, Magubane (2017) found that individuals have sometimes delayed progress in their lives in order to support their kin, thus impacting mobility. Furthermore, social capital can lead to the exclusion of outsiders by preventing them from accessing resources available, thus limiting their movement (Portes, 1998), as an example, the ethnically white majority exercised strict control over the trades and the public order and fire unions of the state (Portes, 1998).

The migration of people from rural areas to urban areas has led to the erosion of sources of information, such as employment opportunities, for the inhabitants who are left behind, thus perpetuating the cycle of unemployment and dependency on social welfare (Portes, 1998). Similarly, Chantarat and Barrett (2012) spoke of the negatives of the social distance between households and networks that have resource endowments, highlighting that households that are unable to establish productive social networks may face difficulty when attempting to escape from poverty. This may lead to the increased vulnerability of these individuals, who rely on this information to improve their socioeconomic conditions.

Social capital can also negatively affect the business initiatives of members of social groups, through loan-seeking kinsman and those seeking jobs in their businesses. This is perpetuated by the strong bounded solidarity inherent in social networks that obligate individuals to assist extended family and community members (Portes, 1998). This bounded solidarity has been found to give rise to a free-rider problem (Portes, 1998), while Di Falco and Bulte (2013) similarly found that compulsory sharing between kinsmen encourages free-riding behaviour. In addition, the social capital narrative deals with the inequality of social capital through differential access to it, which can be found in social groups that have different access to social

networks (Lin, 1999). Higher levels of social capital have been found in upper levels of society (Pichler & Wallace, 2009). Furthermore, this inequality leads to fewer opportunities for certain social groups to mobilise better social resources (Lin, 1999). This is illustrated by the South African narrative, where high levels of inequality magnify the differences between social classes. The black racial group still suffers the most due to the previous apartheid government, leading to inequalities in their access to social capital (Burger, Steenekamp, et al., 2015).

2.3.5 Ubuntu

Ubuntu is important in the context of the study, providing a background of the behaviour individuals in the South African context it is positioned as social capital based on the findings of Magubane (2017), who described it as social capital that is a deeply rooted tradition of individuals, compelling them to uphold their obligations and responsibilities to their family, despite achieving upward mobility.

The preceding sections detail arguments on the merits of social capital. Social capital embodies the values of collaboration, mutual obligation, exchange, shared values, trust and sharing (Portes, 1998), which can be mirrored to the principles of Ubuntu. Ubuntu encompasses the values of caring, sharing, dignity, group solidarity, compassion, respect, trust, generosity and kindness (Letseka, 2012), found predominantly in rural areas in South Africa (West, 2014).

Social capital and Ubuntu both engender mutual assistance within extended families and communities. Other countries share similar principles regarding communal solidarity, for example Ubuntu principles can be compared to the value of “*kampong*” in the Singaporean society, which symbolises community spirit and solidarity (Göransson, 2013).

Ubuntu implies that a person exists because others do, or “I am because you are” (Letseka, 2012). Moreover, it is a common social value or “Africanism” that is taught from childhood to individuals born in Ubuntu-based societies. (Migheli, 2017). It exists in South Africa, a country with a history of inequality, uneven distribution of resources and struggles to maintain sustained economic growth (Migheli, 2017).

Solidarity is a source of social capital, which can be likened to Ubuntu. People being thrown together in a common situation are likely to identify with each other and support each other’s initiatives, due to their common fate (Portes, 1998). They will thus exhibit bounded solidarity, whereby they “appropriate dispositions and actions that follows as their source of social capital” (Portes, 1998, p. 8). Equally, Ubuntu and social capital share the commonalities of networks of people who are interconnected to each other (Migheli, 2017), and are

interdependent (Mbaya, 2010). To possess social capital, individuals must be related to others, and those relationships with others form the source of advantage for them (Portes, 1998). Moreover, social capital entails the wellbeing of members of a community or group who benefit from the assets that accrue from the relationships based on trust, reciprocity and collaboration (Mbaya, 2010).

It is thus posited that the Ubuntu principle of African hospitality is at the centre of the argument that Ubuntu is form of social capital which can improve the socioeconomic conditions of individuals (Migheli, 2017). This principle is based on the notion that one who receives “hospitality” will likewise reciprocate when the other person needs it (Mbaya, 2010). This introduces the argument that people may feel indebted to the networks that helped them in their time of need, and thus have to reciprocate when asked for assistance (Magubane, 2017). Furthermore, Ubuntu can be exploited by others who decide not to earn a living and expect others to support them (Mbaya, 2010), exemplifying the “free-rider” effect described by (Di Falco & Bulte, 2013).

Indebtedness

Linked to Ubuntu is the indebtedness that individuals feel towards their kin. Indebtedness and repayment research indicates that individuals depend on their kinship networks when they experience disruptions, with these networks providing a safe environment that strengthens the bonds between family members (Magubane, 2017). These bonds fortify the value of Ubuntu, leading to individuals reciprocating and upholding their obligations and responsibilities towards their families (Magubane, 2017). This “indebtedness” is argued to play a role in the vulnerability of the emerging middle class, as it forces them to share the assets they have accrued with those in their networks (Mbaya, 2010).

There are contending views that the apartheid regime in South Africa may depleted the important social capital that helps build economic prosperity (Migheli, 2017). This suggests that social support may have been diminished, yet Adato et al, (2006) and Burger, Steenekamp et al. (2015) argue that the need for social support has increased given the number of people who face unemployment and inequality in South Africa. Furthermore, Magubane (2017) found that individuals rationalise their support to their families using the principle of Ubuntu. It is thus argued that the principle of Ubuntu is still an important principle in the African society (Letseka, 2012; Letseka, 2013).

2.4 The phenomenon of black tax

Black tax is the colloquial name of a phenomenon that is experienced by the black middle class in South Africa. It is as source of financial support between family members and is leveraged on by family members to improve their current situation and aid the mobility of individuals. This relatively new concept has not been formalised in academic literature, with only one or two authors referencing the concept (Falco & Bulte, 2011; Magubane, 2017), although it was not the focus of their study. The authors were not striving to determine the definition of black tax. Magubane (2017) focused on detailing the personal accounts of people who achieved upward social mobility and the financial obligations they have towards their families through family connections. While Falco & Bulte (2011) sought to determine if sharing in kinship networks affects consumption and the accumulation of wealth in poor South African households. This research seeks to build on and advance these previous studies by determining a definition of black tax.

Notwithstanding the absence of an academic definition, black tax forms part of the South African narrative in popular media, and as the name suggests affects the black population. Black tax is viewed in popular culture as a “tax” or “burden” on those individuals paying the tax. This echoes the views of Adler and Kwon (2002) and Lin (1999), who posited that social capital can, at times, be a burden, because it may disadvantage or put pressure on the individual providing the capital. The burden of black tax is sometimes associated with forced sharing which leads to dependency on an individuals, which can be likened to the so called “free-rider effect” described by Di Falco & Bulte (2013). Whereby family members live off their kin. Despite this notion of forced sharing, altruism has been indicated as a rationale for sharing resources with family, with individuals finding it both fulfilling and rewarding (Magubane, 2017).

2.4.1 Network capital

Black tax is positioned in the context of this study as being both a bonding and bridging network. The bonding networks usually comprised of family, and the community, and is leveraged to support people to “get by” on a daily basis., whereas bridging networks allow people to advance by accessing resources and opportunities through associates that are far removed from them (Stanley et al., 2012). These networks are the result of obligations to support family members (Magubane, 2017) and provide a safety net for their less fortunate relatives (Falco & Bulte, 2011). Individuals thus become the resource that is inherent in the social networks within families. Furthermore, black tax is likened to the exchange of gifts or favours, with the premise that these will be repaid at a later stage, indicating a principle of reciprocity.

Black tax can thus be viewed as an asset that is used to improve the lives of the impoverished, who use it to gain consumer capabilities that would not otherwise be available to them.

2.4.2 Past deprivation

The findings of Chipp et al. (2011) indicate that due to their history of deprivation, certain groups in South Africa are playing catch-up in the new democracy. Moreover, some black people express that only other black people can help lift them out of poverty and improve their situation (Chipp et al., 2011). For this reason, members of the emerging middle class have to share their income with their family and their extended family (Magubane, 2017). This history of deprivation of the emerging black middle class means that the class has shallow roots and faces challenges of asset deficits and deprivation (Burger, Steenekamp, et al., 2015; Mattes, 2015). The history of deprivation and disadvantage for black people is not unique to South Africa, however; a similar narrative can be seen in the United States of America (USA), where black people have also been disadvantaged by history (Hunter & Robinson, 2016). The narrative of race as a disadvantage was highlighted by Wiebold and Spiller (2017), who found that black men in the USA are stereotyped as being poor, uneducated and employed. Furthermore, they indicated that the idea of equal opportunities does not resonate with the majority of their peers.

2.4.3 Black tax and remittances

Black tax shares similarities to remittances, which depicts the financial flows between family members. Remittance is the money sent home by migrant workers residing overseas (Ambrosius & Cuecuecha, 2016; Yang, 2011). Remittances provide important sources of cash and non-cash resources for families (Beyene, 2014; Yang, 2011), and mitigates poverty and inequality for the receiving families (Apergis & Cooray, 2018) on a more nuclear family level. Arguably, black tax is a source of financial flows of income between family members, however it also extends to extended members of the family. The motives behind remittances have been found to include altruism, insurance, loan repayment and investments (Yang, 2011). Similarly, Magubane (2017) found that motives for providing support for family members are altruistic and fulfilling for the individual providing the support.,

2.4.4 Black tax as social capital

Black tax as social capital theory can be linked to the philosophy of Ubuntu, which is based on the principle of African humanism that one exists because others do (Migheli, 2017). Ubuntu fosters social capital because it is based on a sense of community and responsibility towards one another, as well as the sharing of resources with those that do not have, because

of the linkages that exist between the individual and the community (Migheli, 2017). Black tax exemplifies Ubuntu because individuals who are better off have a sense of responsibility towards their less well-off kin and share resources with them (Magubane, 2017).

Individuals who pay provide financial support for their families are those who have attained a better social status and mobility, thus they have little choice but to assist their family members due to the strong bonds that exist and are maintained irrespective of their social mobility (Magubane, 2017). These strong bonds and lack of choice are argued to impact the vulnerability of the individuals, as the resources they give to their immediate and extended family members place them in a precarious position, impacting their own life choices.

Despite the realisation of democracy, the majority of South Africans are still excluded from the economy and the labour market. This is similar to the emerging class of Latin America, which faces insecurity and instability due to labour arrangements and a lack of access to high-quality services (Lopez-Calva & Ortiz-Juarez, 2011; Stampini et al., 2016; Torche & Lopez-Calva, 2013). For this reason, they have to rely on other sources of income for their livelihood, in this case, black tax.

2.5 Black tax impact on social capital, class mobility and the experience of poverty or being middle class

The emerging middle class faces challenges that are unique and different from the developed world. Their stability is always in question and they may be more vulnerable to idiosyncratic shocks than their established counterparts. The notion of black tax related to the sharing of income with family members can be related to family capital that provides resources to members who are not well off.

The black middle class in South Africa has a history of deprivation and is impacted by this disadvantage in the new democratic era of the country (Burger, Louw, et al., 2015; Burger, Steenekamp, et al., 2015; Chipp et al., 2011). Consequently, those in this class suffer from structural issues such as poverty and political changes, and have to contend with the established middle class (Resnick, 2015). Affirmative action policies have assisted the upward mobility of the black middle class (Burger, Steenekamp et al., 2015) however, with some moving from rural to urban areas and achieving job mobility (Krige, 2015). Those individuals who achieve a better socio-economic status are then obligated to share and redistribute this advantage to their kin (Magubane, 2017; Falco & Bulte, 2011). This sharing of resources has been decried as burden by the individuals who are the source of the support, as they become

safety nets for their less able kin, leading to detrimental economic consequences to the individuals (Falco & Bulte, 2011). It impacts the emerging middle class experience of “being middle class” due to limiting expectations enforced upon the group by their kin (Falco & Bulte, 2011; Magubane, 2017).

In contrast, the financial support of families is a way out of poverty for many families, whereby the more established member of the family provides support for their less able kin (Magubane, 2017). It is argued that the pressure of black tax on the emergent middle class, which is also conspicuously consuming, may increase their vulnerability to external shocks (Chipp et al., 2011). Additionally, this group is still not stable due to its shallow roots and asset deficits (Blocker et al., 2013; Burger, Steenekamp, et al., 2015; Sheth, 2011). They are further posited to be in a vulnerable position due to the lack of formal support institutions in emerging markets to support them in the event of idiosyncratic shocks (Zoogah & Peng, 2015).

The previous section on black tax indicates that it can be a source of advantage for families who have access to it, possibly a way out of poverty for individuals. However, what is not clear is the definition of black tax and its impact on the financial and emotional wellbeing of the individual paying the tax. Magubane (2017) highlighted that individuals affected by providing financial support to their families have to struggle with making difficult decisions between self-interest and family interest, however does not venture on the impact of these decisions on the wellbeing of individuals. The research seeks to define what black tax is and how it impacts the wellbeing of the emerging middle class.

2.6 Vulnerability

2.6.1 What is vulnerability?

The state of being vulnerable means one is capable of being wounded, one is susceptible to wounds or external injuries, or one is liable to injury, while vulnerability is the state or quality of being vulnerable (Baker et al., 2005). Vulnerability is a broad concept that encompasses different meanings for different contexts, i.e. it is used to understand disciplines ranging from environmental science (climate change, disasters) to economics (food insecurity). In the context of individuals, vulnerability may mean falling below a certain threshold such as income, health or food consumption at different time periods (Alwang, Siegel, & Jorgensen, 2001; Dutta, Foster, & Mishra, 2011).

Vulnerability to disasters is a topic that has been widely discussed, with some authors arguing that social processes are what render some individuals more prone to disasters than others

through an unequal exposure to risk. Furthermore, these inequalities are a function of power dynamics at play in society (Bankoff & Hillhorst, 2013). These inequalities can include deprivation, a lack of access to resources, healthcare, quality and affordable products, and retail facilities (Baker et al., 2005; Blocker et al., 2013).

The dynamics of vulnerability to disaster mean that not everyone is vulnerable to disasters, thus not all poor people are vulnerable or experience the same kind of vulnerability, while some non-poor people are vulnerable (Bankoff & Hillhorst, 2013). The view of disasters as socially constructed phenomena and vulnerability as a dynamic process gives insight into the resilience of individuals and communities to disasters, as well as the role of institutions in the process (Baker, 2009). It is argued that the emerging middle class is in a more precarious and vulnerable position than the established middle class due to their “new social position”.

Moreover, vulnerability can be divided into perceived and actual vulnerability. Perceived vulnerability is based on the perceptions other have on an individual’s vulnerability, whereas they do not believe they are (Baker et al., 2005). Actual vulnerability occurs when an individual demonstrates that they have experienced vulnerability (Baker et al., 2005). Alwang et al. (2001) articulated some general principles regarding vulnerability as follows: 1) vulnerability is defined as the forward looking probability of “experiencing loss in the future relative to welfare” (p1); 2) uncertain events may lead to vulnerability of households due to threat of loss of welfare; 3) vulnerability is a function of risk and time associated with that risk and a household’s response to that risk; and 4) vulnerability is also increased by the limited access to assets and the lack of ability to respond to risks.

Lopez-Calva and Ortiz-Juarez (2011) define the emerging middle class by the amount of income that protects them from vulnerability, which they determine to be the \$10 a day. Ligon and Schechter’s (2003) define vulnerability in terms of the risk to household welfare associated with household consumption. In the context of a household’s well-being, vulnerability is not only a function of income and expenditure, but also the risk associated with having fewer resources. Vulnerability can thus be measured in terms of income and current assets (Dutta et al., 2011), as well as exposure to risk and shocks (Ligon & Schechter, 2003). Moreover, Torche and Lopez-Calva (2013) defined vulnerability as “the probability that a middle-class household falls into poverty in that it experiences downward mobility into a situation of economic depravity” (p.12), or the likelihood of individuals to regress back to poverty or experience downward mobility (Burger, Louw, et al., 2015). Similarly, Dutta et al. (2011) defined vulnerability according to a person’s probability of regressing beyond poverty line over a period of time.

Power vulnerability of the consumer

In the social sciences, vulnerability has been recognised as dependence, being powerless, and individuals having the diminished capacity to act in their own best interests (Baker, 2009). Baker et al. (2005) explained that consumer vulnerability is a “state when a person is powerless, has no control, and is dependent on a consumption situation” (p. 134). This state of being vulnerable may occur when a “consumer is unable to accomplish his or her goals in a consumption situation” because they are powerless or out of control. Similarly, Blocker et al. (2013) found that power dynamics exist at the micro-level, impacting more particularly the poor members of society as they experience consumer vulnerability brought on by exclusion due to their social class and construct meanings of deprivation based on the power relations at play. Power is defined by choice and resources, whereby the lack of resources and lack of choice in a consumption situation are contributing factors to the vulnerability of the poor consumer (Blocker et al., 2013). Consumption in poverty was found to reflect multiple factors such as pain, vulnerability, exclusion, social judgement, constraints, capabilities, assets, sacrifices and undesirable trade-offs (Blocker et al., 2013). An illustration of power over the consumer can also include a vendor withholding credit from a consumer or having to ask extended family members for assistance to meet family objectives (Blocker et al., 2013). Notably, power dynamics have impacted how the emerging class in South Africa is positioned and how it consumes based on historical deficits (Burger, Louw, et al., 2015). The apartheid government ensured that power and influence remained with the privileged few, and the effects of these inequalities still exist to this day. It is thus argued from the discussion above that power may affect the consumption experience of the emerging middle class consumer, because their consumption in emerging markets is defined by their “new middle class” status (Kravets & Sandikci, 2014).

Vulnerability in the context will be examined in the context of power with regards to resources and choice (Baker, 2009; Baker et al., 2005; Blocker et al., 2013). Blocker et al., (2013) presented power as a dynamic that makes a consumer vulnerable, as it can exacerbate or alleviate the felt deprivation of the poor, which is represented by physical, social, cultural and experiential disadvantages. However, they examined power in the context of the poor consumer, thus it is critical to determine how the the emerging middle class fits into this narrative.

Latin American studies have linked this emerging middle class to vulnerability (Lopez-Calva & Ortiz-Juarez, 2011; Stampini et al., 2016; Torche & Lopez-Calva, 2013), as although they

are attaining upward mobility, their emergence is threatened by a fall back into poverty (Lopez-Calva & Ortiz-Juarez, 2011; Stampini et al., 2016; Torche & Lopez-Calva, 2013).

2.6.2 Likelihood of vulnerability

Vulnerability studies have attempted to determine which factors may influence the likelihood of experiencing vulnerability. The distribution of resources, such as healthcare, retail facilities and education, in society can contribute to individuals experiencing vulnerability, leading to the creation of structural vulnerability which may affect certain racial groups more than others (Baker et al., 2005).

Context is important in the discussion of vulnerability, especially in African markets. Zoogah and Peng (2015) discussed the significance of context in management practices, highlighting the dual nature of the African context, which is impacted by Western and African influences. Vulnerability in the African context is argued to be influenced by many factors that may appear to be basic in the Western context, such as access to resources, healthcare, education, retail facilities and affordable products. The structural vulnerability discussed by Baker et al. (2005) therefore affects most African markets due to the colonial history of the continent.

Income

In contrast, studies on income vulnerability indicate that the financial vulnerability of households is a function of the income sources of that household, which is mainly from labour (Fuenzalida & Ruiz-Tagle, 2011). Certain levels of income have been found to render an individual invulnerable or reduce their chances of regressing back into poverty (Lopez-Calva & Ortiz-Juarez, 2011). Income is often used as a measure of an individual's economic power as well as an indication of their social status, thus it has been used to determine people's social class (Burger, Steenekamp, et al., 2015). Some literature argues that the emerging middle class is in a precarious position as they have to share their income with family members who are not well-off (Lopez-Calva & Ortiz-Juarez, 2011; Magubane, 2017), thus the loss of income in a family increases the vulnerability of individuals and households, making job security crucial for the wellbeing of individuals and households. Latin American studies on vulnerability indicate that whilst the middle class has the opportunity to attain upward mobility by achieving higher levels of well-being, they are also vulnerable to regressing back into poverty or experiencing downward mobility (Lopez-Calva & Ortiz-Juarez, 2011; Stampini et al., 2016; Torche & Lopez-Calva, 2013). Stampini et al. (2016) found that 14% of the middle class in Latin America experienced poverty once between 2004 and 2013, demonstrating their instability and insecurity in the new class.

The emerging middle class is characterised by higher levels of education and work in professional, stable, non-farming jobs (Kravets & Sandikci, 2014; Lopez-Calva & Ortiz-Juarez, 2016; Resnick, 2015; Uner & Gungordu, 2016). When one links level of education to job stability, individuals with higher levels of education have a lower probability of losing their job, with tertiary educated individuals being less likely to lose their jobs than their primary school educated counterparts (Fuenzalida & Ruiz-Tagle, 2011). It is thus argued that the emerging middle class are invulnerable to income losses because they can maintain their jobs and maintain a stable income to support their kin.

Poverty and idiosyncratic shocks

Poverty is another element that features prominently in the discussion of vulnerability. Azeem, Mugeru and Schilizzi (2016) looked at risk-induced vulnerability and poverty-induced vulnerability, the former being a result of experiencing idiosyncratic shocks (for example the illness or death of the head of the family) and the latter being a result of poverty, with each requiring specific interventions to mitigate the situation. Poverty-induced vulnerability indicates structural constraints on the population, such as lack of education, resource endowments, physical assets, healthcare, which decreases the likelihood of individuals escaping poverty (Azeem et al., 2016). The authors argued further that high levels of idiosyncratic vulnerability indicate a lack of risk sharing amongst households, similar to the views of Jalan and Ravallion (1999), which is contrary to the principle of Ubuntu (Migheli, 2017). Thus, risk sharing, based on the principle of Ubuntu, is argued to render the emerging middle class invulnerable to shocks.

Assets

The possession of tangible (labour and housing) and intangible (household and community relations) assets (Blocker et al., 2013) and level of income (Lopez-Calva & Ortiz-Juarez, 2011) act as mechanisms to protect individuals from vulnerability. It was found that individuals who are vulnerable to poverty due to a lack of assets that will protect them against economic downturns or family restructurings may not be able to develop the traits necessary to induce economic and political stability in the long-term (Torche & Lopez-Calva, 2013). Similarly, studies conducted in Pakistan indicate that a lack of assets increases the difficulty of households escaping poverty (Azeem et al., 2016). The emergent black middle class in South Africa has historically been linked with the possession of fewer resources and asset deficits when compared to their white counterparts (Burger, Louw, et al., 2015), thus increasing their degree of vulnerability. Furthermore, this group has an obligation due to family ties and the

principle of Ubuntu to share their assets and ensure the well-being of their immediate and extended family (Falco & Bulte, 2011; Magubane, 2017). These educated, skilled, working individuals then become a social capital asset to their family members, due to altruistic motives and Ubuntu (Magubane, 2017). In fact, one of the internal conditions of black tax identified by Magubane (2017) is that it affects individuals who grew up in resource deficit homes and practice the principle of Ubuntu. The emerging middle class is thus not associated with stability and invulnerability, as they are new to the class and do not have the assets to protect themselves against external shocks.

Literature outlines some of the causes of the likelihood of vulnerability of consumers such as choice, assets or resources, income levels, risk sharing. Although these are captured in various literature, what is not discernible is the narrative of the emerging middle class and what makes them vulnerable.

2.6.3 Emerging market structures impact on the the vulnerability of the new middle class

The emerging market literature has highlighted the challenges associated with operating in this context, as well as the unique challenges that the consumers face. Emerging markets are defined by structural challenges, which include resource deficits and a lack of formal institutions, due to their colonial histories which means the way in which they engage with the market is different from the developed markets (Sheth, 2011; Zoogah & Peng, 2015). Thus sensitivity is required when introducing products to these markets (Sheth, 2011).

Emerging market heterogeneity is heavily skewed towards the bottom of the pyramid consumer, and is driven by the lack of resources that separates those who have and those that do not (Sheth, 2011). It has been posited that linkages between the bottom of the pyramid consumer can impact the middle of the pyramid consumer in emerging markets. Moreover, the lack of resources defines the emerging middle class and impacts their consumption (Sheth, 2011), making them vulnerable to shocks (Blocker et al., 2013; Burger, Louw, et al., 2015).

Historical social and political structures in emerging markets have placed members of certain racial groups at a disadvantage when it comes to access to resources and assets, which fuels a culture of consumption resulting from historical deprivation and rising incomes (Blocker et al., 2013; Burger, Louw, et al., 2015; Chipp et al., 2011; Kravets & Sandikci, 2014; Liu, 2016; Uner & Gungordu, 2016). This felt deprivation leads to conspicuous consumption and exposes consumers to financial risk by creating indebtedness (Chipp et al., 2011), and is thus argued

to increase the vulnerability of this class to idiosyncratic shocks. Similarly, Ravallion (2009) argued that despite the new middle class status of affluence, they still remain vulnerable.

2.7 Emerging middle class vulnerability

Latin American studies on vulnerability indicate that whilst the middle class has the opportunity to attain upward mobility by achieving higher levels of well-being, it is also vulnerable to regressing back into poverty or experiencing downward mobility (Stampini et al., 2016; Torche & Lopez-Calva, 2013). The central theme of this study focuses on the emerging middle class and their uniqueness, and its impact on members' vulnerability. Structural vulnerability affects most African markets due to the colonial history of the continent (Baker et al., 2005).

Studies conducted on the Chilean middle class indicate that vulnerability is influenced by factors such as the volatility of the income of individuals above the poverty line, the replacement of long-term employment contracts with short-term, task-based labour arrangements, and the segmented access to healthcare, education and pension systems (Torche & Lopez-Calva, 2013). The emerging middle class are vulnerable because they face the risk of regressing back to poverty (Torche & Lopez-Calva, 2013), their household welfare is threatened as they have fewer resources (Ligon & Schechter, 2003), they have a history of deprivation and asset deficits which impacts their consumption, values and decision making (Burger, Louw, de Oliveira Pagado, & Van Der Berg, 2015; Burger, Steenekamp, Berg, & Zoch, 2015; Chipp et al., 2011; Mattes, 2015). Furthermore, Baker (2009) stated that the burden of risks and experience of vulnerability is shared by the networks of firms, individuals and the government, and placing the burden of risks and experience of vulnerability on less capable groups may lead to a minimised quality of life. This makes these networks unsustainable over time, as less capable groups are unable to mitigate these risks.

Assertions have been made, however, that vulnerability is short lived and not a permanent phenomenon, and that people who experience vulnerability work constructively to reduce their state of vulnerability instead of resigning themselves to the situation (Baker, 2009).

2.8 Conclusion

This chapter presented a review of literature on the middle class, the narrative of social capital in relation to this groups. Furthermore, it explored black tax and the concept of vulnerability. The views on the emerging middle class in emerging markets is the basis of the argument that this group is dissimilar to the Western middle class who are posited to be stable and to be invulnerable to risk due in economies that are advanced both economically and politically and

the consumers are able to spend extra for quality (Banerjee & Duflo, 2008). The literature has demonstrated that the emerging middle class is not entirely associated with stability and invulnerability as per the Western tenets of a middle class (Kravets & Sandikci, 2014; Ravallion 2009; Torche & Lopez-Calva, 2013). Latin American authors who capture some of these challenges of the emerging middle class include vulnerability in the narrative and present it as a unique problem of this group, demonstrating that this group is vulnerable to idiosyncratic shocks and is not entirely stable (Lopez-Calva & Ortiz-Juarez, 2011; Stampini et al., 2016; Torche & Lopez-Calva, 2013). It further indicates that the emerging middle class are unique from the Western middle class due to the challenges associated with operating in emerging markets (Sheth, 2011; Zoogah & Peng, 2015). This group is also affected by a set of challenges stemming from a history of deprivation that threaten their class membership (Burger, Louw, et al., 2015; Chipp et al., 2011), suffer from resource deficits and limited formal support structures (Sheth, 2011; Zoogah & Peng, 2015).

The South African context also represents a unique challenge in the form of black tax, which is modelled on the theoretical framework of social networks and social capital. Literature on black tax is still nascent, with one or two authors referring to it (Falco & Bulte, 2011; Magubane, 2017, however their focus was not to define or look to have it theoretically grounded. As a result, there is a gap in literature relating to black tax, therefore this research aims to build on the work of these authors and advance it to produce a definition of black tax in the context of the emerging middle class.

In the context of consumer vulnerability, Baker et al. (2005) and Blocker et al., (2013) infer that vulnerability of the consumer is associated with power over a consumption situation, and power is defined by having resources and choice, implying that a lack of choice or lack of resources makes consumers vulnerable (Baker et al., 2005; Blocker et al., 2013) . However, Blocker et al., (2013) presented power of the consumer in the context of the poor consumer and this research aims to extend this literature to the the emerging middle class and to further advance vulnerability by linking it to black tax.

CHAPTER 3: RESEARCH QUESTIONS

3.1 Introduction

The aim of this study was to determine a link between black tax and the vulnerability of the emerging middle class. The literature review indicated that the emerging middle class is distinct from the established, stable middle class, and is furthermore burdened with the challenge of providing financial support to their families and extended families. This research utilised a qualitative approach in order to answer the following questions:

3.2 Research question 1

What is black tax?

The phenomenon of black tax is not defined in academic literature. The phenomenon is still being described by the experiences of individuals and similarities drawn to other contexts. This research question aimed at defining the phenomenon of black tax and understand the underlying structure of the definition.

3.3 Research question 2

What factors of the likelihood of vulnerability are exhibited by the emerging black middle class in South Africa?

The review of literature indicated various factors that cause the likelihood of vulnerability in different contexts and particularly the poor consumer (Blocker et al., 2013). This research question sought to reveal which factors of the likelihood of vulnerability affects the South African emerging middle class.

3.4 Research question 3

What are the vulnerabilities/points of vulnerability of the emerging middle class?

This research aims to identify what the emerging middle class associated with feeling vulnerable.

3.5 Research question 4

How does black tax affect the the benefactor?

Black tax is identified as a source of support for families who are not well off, helping them to survive and advance in life. However, due to the nascent nature on literature of black tax, there is limited academic views on the effect black tax has on the benefactor.

CHAPTER 4: RESEARCH METHODOLOGY

4.1 Research approach and strategy

The nature of this research required an interpretive philosophical approach, which focuses on the complexity of human sense making and attempting to understand unique social phenomena through the meanings that people assign to them and “differences between humans in their role as social actors” (Myers, 2013; Saunders & Lewis, 2012). By using social constructs such as language, consciousness, shared meanings and instruments (Myers, 2013), the researcher attempted to understand how black tax affects the vulnerability of the emerging middle class.

Due to the under researched area of black tax and its impact on the lives of individuals, a mono method in the form of a qualitative study was conducted. Qualitative research facilitates the systematic and detailed study of social actors/individuals in their natural settings through the use of open-ended interviews, whose intent is to understand the individuals’ experiences and perspectives with regards to the issue at hand (Kaplan & Maxwell, 2005). Furthermore, the area being researched is still in the exploratory phase and new insights and ideas are being discovered (Myers, 2013), therefore exploratory research was adopted to explore a new phenomenon within the existing literature to gain new insights on the link between black tax and the vulnerability of the emerging black middle class.

Qualitative methods are credited with being able to allow for abstraction and capturing the human emotions and feelings expressed by the interviewees. The qualitative method used for this study was able to capture the emotions associated with the term ‘black tax’, and assisted with the understanding of this social phenomenon and the impact it has on the lives of people. Kothari (2004) identified exploratory studies as primarily being appropriate for the discovery of new ideas and insights. The methods used in exploratory studies indicate flexibility, which allows for considerations of the “different aspects of the phenomenon” being tested, and additionally provides the opportunity to narrow the focus of the research as it progresses (Kothari, 2004; Saunders & Lewis, 2012).

Black tax and its relationship to vulnerability as a construct requires unpacking and a deeper understanding of the phenomena, thus an inductive approach was adopted to gain new insights into the subject (Saunders & Lewis, 2012). The process involved using interview responses to put forward a model to describe the phenomenon.

The adequacy of a research method is dependent on the purpose of the research and the research questions asked (Seidman, 2006), thus in the context of the research questions asked in this study, a survey in the form of an interview, one of the main data sources for qualitative research, was used (Bryman & Bell, 2011; Kaplan & Maxwell, 2005). Surveys are useful in asking questions such as Who? What? Where? and How? and are thus of use in exploratory and descriptive studies (Saunders & Lewis, 2012). This allowed for an in-depth inquiry into black tax and how it affects individuals.

Notwithstanding the positive attributes of the qualitative method of research, it has been criticised as being biased, subjective and not able to be replicated. These limitations were taken into consideration when conducting the research.

4.2 Research design

To understand the lived experiences of an individual and the meaning the individual makes out of that experience, in-depth interviews are deemed appropriate as a method of inquiry (Seidman, 2006). The narratives that people give by recounting their experience makes the interview an instant mode of inquiry (McCracken, 2011). Furthermore, semi-structured and in-depth interviews are important in an interpretivist philosophy due to interest in the meanings people assign to social phenomena, as well as their ability to allow interviewees to introduce new ideas or insights during the interviews (Saunders, Lewis & Thornhill, 2012). A semi-structured, in-depth interview method was adopted for this study, which provided the researcher the flexibility to ask questions not included in the interview questionnaire when prompted by things said by the interviewees. This allowed for new meanings and insights to be explored (Bryman & Bell, 2011).

Face-to-face interviews were conducted with 18 respondents in order to minimise non-response and question bias. The study was conducted over a short period in order to take “a snapshot of the current situation” (Bryman & Bell, 2011, p. 197), thus it is classified as a cross-sectional study.

4.3 Population and sampling

4.3.1 Target population and unit of analysis

The target population for this research included the South African black middle class, who under the definition of black included natural persons of African, Indian and Coloured descent, which represents the full set of cases or group members (Saunders & Lewis, 2012). The study

focused on black, employed individuals; one respondent was self-employed at the time of the study. Biographical characteristics such as age and gender were not used to further narrow the population, however these were captured in the interview guide as additional information on the population.

The unit of analysis was the individual affected by black tax (Kaplan & Maxwell, 2005; Zikmund, Babin, Carr, & Griffin, 2009).

4.3.2 Sample frame and sampling technique

The non-probability sampling method was used for the research, with elements of quota and convenience sampling (Saunders et al., 2012). This method allowed the author to make a judgement regarding which individuals would be best suited to answer the research questions based on their experience of black tax (Bryman & Bell, 2011). It further ensured that the sample included a sufficient number of units to represent certain characteristics of the population (Saunders & Lewis, 2012). Judgement sampling allowed for a selection of candidates based on their previous conversations about black tax with the researcher. Some of the judgement bases included: candidates provide for their families and candidates have a view regarding the impact of black tax on their lives. This ensured rich data collection in the context of the study, thus an impactful contribution to the research was ensured. Convenience sampling relates to the ease of accessing a sample (Saunders et al., 2012), thus interviewees were also selected based on their accessibility to the geographical area selected for the study.

4.3.3 Sample size

According to Flick (2018), qualitative research warrants a sample size of between 15 and 25 individuals, as the researcher is sampling for relevance not representivity, and is aiming for saturation. Given (2008) recommended that saturation can be achieved using a sample size of 15 to 20 people during thematic analysis. This study achieved a sample size of 18.

4.3.4 Measurement instrument

The interview was selected as the most appropriate method for data collection for this study. The interview process is based on the understanding of the lived experiences of individuals and the meanings they make of it (Seidman, 2006). The interview process in the context of this study aimed to determine the impact of black tax on the vulnerability of the middle class. McCracken (2011) identified the long interview method as one of “the most powerful methods in qualitative armoury”, stating that it is more revealing in situations that require inquiry, and

that it provides a better understanding of the beliefs and experiences of individuals in a social study (p. 2-3).

The long interview method protocol requires an extensive literature review to provide a background to the study (McCraken, 2011), thus the next step in the process was for the researcher to immerse themselves in the study by conducting a self-enquiry and leveraging her lived experience in relation to the research topic. This reflection allowed the author to prepare for the construction of the questionnaire and the later phases of data analysis (McCraken, 2011).

As highlighted in Saunders et al. (2012) and Zikmund et al. (2005), semi-structured interviews are advantageous as they have the ability to uncover more specific issues and can be used in subjects where questions are complex or open-ended. Furthermore, the views of the interviewees are important and this method provides flexibility when interviewing interviewees (Bryman & Bell, 2011). Importantly, this survey instrument helped uncover and understand the complexities of black tax vulnerability.

4.4 Reliability and validity

Reliability in quantitative research is associated with the consistency of one's findings, which means that a study can be replicated and produce similar results and conclusions when interpreted by others (Saunders & Lewis, 2012). The replication and confirmation of studies in qualitative research is not guaranteed, however (McCraken, 2011). This research aimed to explore the individual's experiences of black tax and assessing the responses in terms of consistency was deemed not accurate as experiences of black tax vary and were not comparable between individuals. For this reason, reliability and consistency were replaced with trustworthiness and validity with authenticity (Bryman & Bell, 2011).

The criterion of authenticity meant that the interviewees, who are at the heart of the phenomenon, were given an opportunity to express themselves freely according to their own knowledge structures. For this reason, the semi-structured, in-depth interview method was considered the most appropriate to gather data about the personal experiences of those individuals who have experienced black tax and how they have experienced it (Stenbacka, 2001; Saunders et al., 2012). To ensure validity, the interviews were transcribed and sent back to the interviewees to check for accuracy.

A pilot interview was conducted with an individual who fit the criteria of the sample of the research. The test interview allowed the researcher to do the following:

1. Update the interview questions to include questions that enabled more in-depth inquiry.
2. Test the credibility of the interview by giving feedback to the respondent, which was validated as having captured the essence of their responses.

4.5 Data collection process

Qualitative data are primarily gathered through observation, interviews and documents (Kaplan & Maxwell, 2005). As outlined in earlier sections, the data collection method selected for this research study was semi-structured, in-depth interviews with open-ended questions. Interviewing is described as an obtrusive method of data gathering, as it involves the interaction of an interviewee and interviewer (Zikmund et al., 2009), thus creating an environment which is conducive to conduct the interview is key (McCracken, 2011).

The semi-structured interview process created a comfortable environment to encourage the flow of conversation, and enabled the interviewees to feel at ease with the process. For this reason, deep and rich insights on black tax emerged from the interviews (McCracken, 2011).

Prior to conducting the interview, a pilot interview was done to test the interview questionnaire and technique. This was done to ensure that the questions asked will add value to the study by providing the correct data for the study (Saunders & Lewis, 2012). This first attempt also led to the questionnaire being updated. Saunders et al. (2012) highlighted the elements of time, cost and availability of resources as important considerations when beginning an interview process.

Permission to participate in the interviews was sought by way of a written application sent to the respondents, which contained information that informed the respondents about the purpose of the study and relevant contact information (see Appendix B). Appointments for the face-to-face interviews were made telephonically and via email, and each interview was recorded and digitally transcribed.

4.6 Interview Guide

The interview guide (see Appendix A) for this study was constructed as per McCracken's (2011) guidelines, and began with basic biographical questions to open the interview process. This helped to contextualise the responses of the interviewees (Bryman & Bell, 2011) and allowed the interviewer to understand what informed some of their responses. It further allowed for this information to be readily available post interview, as going through the interview tape to extract

information from the interviews is time consuming (McCraken, 2011).

The structure and order of questions is important to help interviewees feel at ease. McCraken (2011) outlined certain protocols for the interview process, commencing with the interviewer allowing the interviewees to narrate their experiences or stories in their own terms, thus the initial questions were structured to create a comfortable environment that allowed the interviewee to open up and to share their experiences (Bryman & Bell, 2011; McCraken, 2011). Throughout the interviews, the interviewer endeavoured to be as unobtrusive as possible and used language that was relevant and comprehensible. Furthermore, non-directive opening questions, so-called grand-tour questions, were asked to allow the respondents to tell their stories on their own terms (McCraken, 2011). Following these questions, the interview continued in an unobtrusive manner (McCraken, 2011). The interview guide can be found in Appendix A.

Furthermore, to unobtrusively maintain the flow of the conversation, floating prompts such as nodding of the head and repeating certain phrases for emphasis were used to encourage the interviewee to elaborate and expand further on a point (McCraken, 2011). The interviewer listened for key terms emerging from the narration and this enabled the interviewer to prompt the respondents to explore those specific terms further (Bryman & Bell, 2011; McCraken, 2011). In addition, planned prompts were applied to proactively and unobtrusively uncover specific themes that emerged during the literature review that the interviewees did not touch on (McCraken, 2011).

4.7 Data analysis approach

The analysis of the data followed a similar schema as that shown in Figure 2. The raw data were organised into transcripts, which the interviewer then read to get a general sense of the information. Following from this, the data were coded and aggregated into themes.

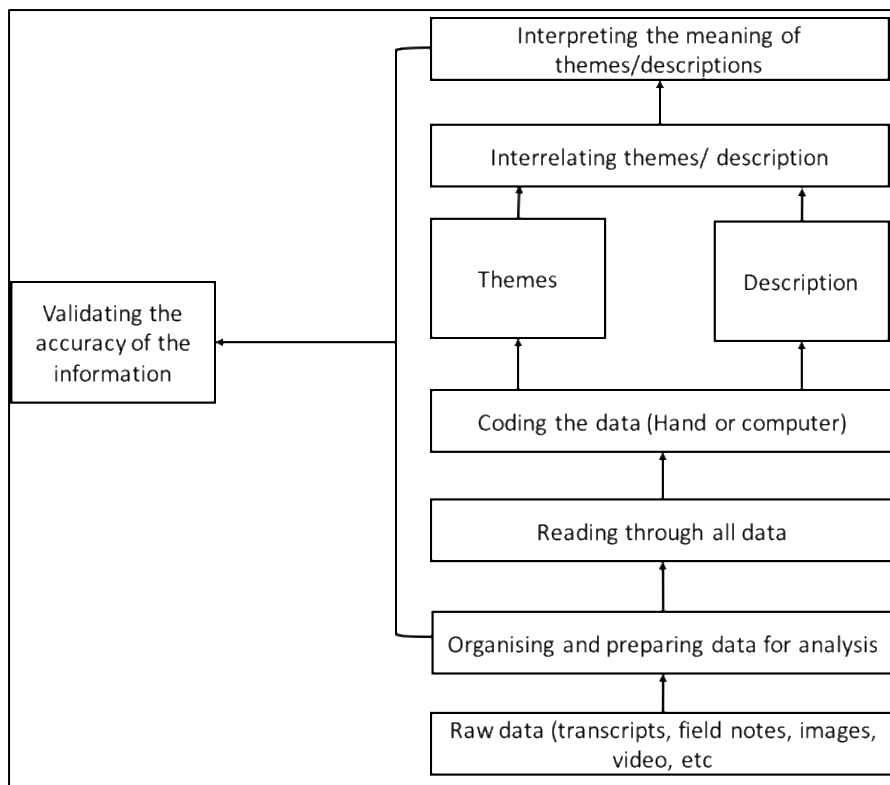


Figure 2: Data analysis in qualitative research

Source: Adapted from Creswell (2009)

4.7.1 Transcription process, quality and reliability

Data collected during interviews was transcribed and a thematic analysis conducted (Bryman & Bell, 2011). Transcription is a critical step in qualitative research and involves multiple stages, beginning with a rough transcript and progressing by adding other features. A limitation to this approach is that the true essence of the narrative can never be captured accurately, however using correct reasoning to make decisions may counter this risk (Kowal & O'Connell, 2013).

The interviews were independently transcribed verbatim. To ensure the quality of the transcripts, additional quality assurance was conducted by the interviewer by comparing the transcript notes to the audio. This was done to correct any errors that might have occurred when transcribing. Additionally, interruptions such as ringing of telephones were noted to indicate a break in speech or repetitions. Further, incomplete sentences, pauses and expressions of emotion such as laughing were recorded. In instances where the audio was inaudible or unclear, the transcription indicated such.

4.7.2 Data coding

Rich qualitative information was collected through the interviews, however not all of the information were used in the analysis. The data that were used were aggregated into smaller codes. Thematic analysis is often used when a researcher has little understanding of a phenomenon, in this case black tax, as it provides patterns that give insights (Hawkings, 2017). Thematic analysis in the context of the inductive approach means any “reoccurring themes within the data are under investigation as long as the themes align with the goal of the project” (Hawkings, 2017, p.3). The study followed an inductive approach in order to propose a theoretical framework for black tax. The coding process did not attempt to fit the data into preconceived codes, but required the researcher to interpret the data and shape them into emergent codes. These emergent codes progressed and aggregated into categories or themes (Bryman & Bell, 2011). The process of coding was lengthy and time consuming, and involved the use of a qualitative data analysis programme called ATLAS.ti (Saunders & Lewis, 2012).

The transcripts were read and re-read to ensure that all meanings were identified and to highlight emerging insights on the questions asked. Frequently occurring words and sentiments were noted to identify any patterns occurring related to the questions asked. The codes were also peer reviewed by another research student and the supervisor to ensure they fit the data.

4.7.3 Codes and their progression

Coding involves the naming of summarised segments of data while creating categories for them (Thornberg & Charmaz, 2013). The initial coding of the data yielded 451 codes. Reviewing of the coding resulted in the most similar and frequent codes being progressively merged into each other to yield unique codes (Bryman & Bell, 2011). Furthermore, focused coding allowed the researcher to determine the most significant or frequent codes. These codes were progressively aggregated into themes.

4.8 Research limitations

The research was conducted to explore the complexities of black tax within the emerging black middle class, and involved qualitative data collection through in-depth interviews and the subsequent analysis of the data collected. One of the limitations of the study was the use of non-probability sampling, which means that the sample was statistically not representative of the population thus no statistical generalisations can be made about the population (Myers,

2013; Saunders et al., 2012). Another limitation is the researcher's own experience of black tax, which may have led to confirmation bias, i.e. the researcher could have focused on certain aspects of the responses and missed out on some perspectives introduced by the interviewees (Saunders & Lewis, 2012).

The cross-sectional study was limiting in terms of identifying and generalising vulnerability of the emerging middle class. Social desirability bias is purported to have occurred if the interviewees attempted to construct narratives to be seen as socially acceptable in the context of a study (Bryman & Bell, 2011).

Finally, the use of English as a medium proved to be a slight barrier, as some of the population did not use English as their primary language of communication. However, this was mitigated by asking respondents to answer in the language they felt most comfortable as the interviewer is well versed in isiZulu and Sesotho, and the transcripts were translated by a transcriber who understood the language. This being said, some of the meaning and insights may have been lost in the transcription process, as it did not capture the essence of the conversations as they took place.

CHAPTER 5: RESULTS

5.1 Introduction

The chapter highlights the main findings of the qualitative in-depth interviews held with the interviewees selected for the study. Semi-structured interviews were conducted to explore the views that the interviewees held on black tax. Some additional research data were identified through the analysis of the transcripts and their subsequent coding.

The chapter involves the analysis of the data and begins with a description of the interviewees.

The questions asked in the interviews were drawn from the research questions that the study aimed to answer, which are presented:

Research question 1: What is black tax?

Research question 2: What factors of the likelihood of vulnerability are exhibited by the emerging black middle class in South Africa?

Research question 3: What are the vulnerabilities/points of vulnerability of the emerging middle class?

Research question 4: How does black tax affect the the benefactor?

5.2 Summary of the interviewees

Eighteen interviews were conducted with individuals to understand their views on the impact of black tax on their lives. The interviewees were both female and male, and were of various age. In terms of the black racial group, the sample consisted of twelve Africans, three Indians and one Coloured. Previous conversations with some of the individuals indicated they also struggle with the commitments they have to their families who depend on the financially to make ends meet at home or “get by”, hence it was noted that these individuals were all impacted by the phenomenon. The selection of the sample was partially based on previous interactions with some of the individuals, who had expressed feeling financial strain and emotional turmoil due to their familial commitments, thus the researcher used judgement to select them as a sample for the research.

The biographical information also captured the education level of the interviewees, with three interviewees having matric only and the rest ranging from diplomas to Masters degrees. The education qualifications suggest that the respondents qualify as middle class Furthermore, the marital status of the interviewees was captured; eleven interviewees were married, two

identified as being single with partners, and five identified as single. This data was gathered in order to understand the dynamics of couples who are affected by black tax.

The youngest interviewee was 26 years old, with the oldest being 46 and the average age 35. The ages and marital status of the interviewees were highlighted in order to determine if individual's views on the impact of black tax on vulnerability were impacted by these. The education qualification also qualify them respondents as middle class based on Kravets and Sandikci (2014).

The interviewee summary is presented in Appendix B, Table 2:

The interviews were conducted over a period of two months, and were held in places that were convenient to the interviewees. A summary of the duration of the interviews is presented in Table 1.

Table 1: Interview duration summary

Description	Quantity
Number of interviews	18
Total duration of interviews	795 minutes
Average total duration	44 minutes
Shortest interview	24 minutes
Longest interview	113 minutes

The open-ended questions asked in the interviews allowed the conversation to flow and gave the interviewees the freedom to express their views on the subject. The interviewees were open about the experience of black tax.

5.3 Thematic analysis

The following section will commence with the detailed discussion of the themes that were identified in the data analysis. This was done to provide an overview of the themes, subsequent to which the research questions will be dealt with in turn. Such an approach is appropriate as some themes applied to more than one research question A mind map of the themes is presented in Figure 3 below for ease of access.

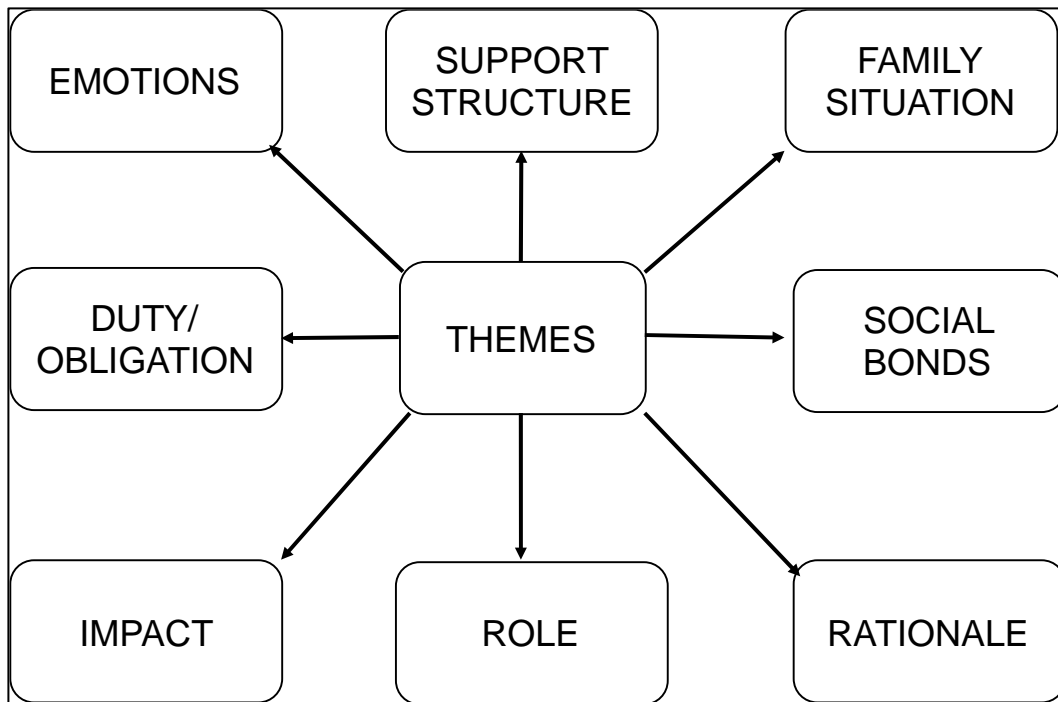


Figure 3: Themes

5.3.1 Emotions

During the interviews, the respondents expressed a lot of emotions that they attributed to their experience of black tax. These responses were linked to the interview question: “How do these experiences make you feel?” The responses given to the other research questions were also laden with a multitude of positive and negative emotions, which were naturally narrated without prompting. This theme was comprised of 87 codes on the emotional impact of black tax. These emotions express how the respondents feel about their situation, how the situation has impacted them, and how they see their dependents’ role in the situation.

Negative emotions

During an interview, one of the interviewees became overwhelmed and broke down in tears when relating how black tax has negatively impacted their life. The interviewees highlighted that black tax is both emotionally and mentally taxing, with the negative emotions indicating a possible psychological impact of black tax.

“It’s not just financial thing it’s also an emotional thing.” Respondent 11.

“It’s kind of an emotional and mental tax that just gets passed on from generation to generation...” Respondent 3.

“So I think that the expectation is both emotional and financial.” Respondent 15.

“It’s not fair because (pause) I need to also (pause) be free from these chains that somehow has been put on me. And I cannot be free because of the fact that I know

that they don't have any source of income besides the little jobs that they do... it's not fair. Respondent 3.

"Ja, because I feel that it is so unfair to any human being, so at the core of it how do I feel? I feel angry, frustrated and sad. Why? Because I feel it is unfair it is unjustified, it is wrong it is a burden and so that's how I feel. I don't wish it to anybody else." Respondent 6.

Many interviewees expressed that they felt burden of providing for their families, which reflects an element of vulnerability in terms of a lack of choice or powerlessness.

"The thing is people that brought you up and then when you start working they expect you to give back to them." Respondent 14.

"They are expecting something that you are now from school and you now have to do something in return so that since you have completed matric and stuff like that." Respondent 1.

"Yeah, there is definitely an expectation." Respondent 3.

When asked if the expectation was verbalised one respondent commented as follows:

"No it is not communicated it's all of us understand our way of life what we can and what we cannot afford, you don't have to be told or to be reminded or to be asked you know they know everybody knows that's how we have survived even during the times when we were still legally disadvantaged you know." Respondent 6.

Many respondents held negative emotions about black tax, with some reflecting fear of disappointing their families:

"At the beginning it made me feel like I am a failure, I am not making them happy and then..." Respondent 18.

"Sometimes I ask myself what will happen if I happen to lose my job. My family might ask "what was I working for", forgetting that I was supporting their children." Respondent 7.

Positive emotions

The following quotes are evidence of some of the positive emotions that the respondents associated with their experience of black tax. Positive feelings in this context means constructive feelings were associated with the experience of black tax, i.e. the interviewees experienced black tax as worthwhile and beneficial. These feelings reflected the life lessons the experience has taught them and the fulfilment they have received from the role that they play in their families.

"...the yes part would be the principle of learning to provide for yourself and your family from an early age. Only because it helps you in your career to appreciate the money that you get. So not necessarily to give me money or to work for me but to kind of pretend that you know what anything can happen at any stage, make sure you're a savvy with your money, make sure you...let your money work for you, you don't work for your money." Respondent 3.

“So even if I don’t buy groceries which is the basics that they can cover, but I covered things that I wanted that can help them help themselves.” Respondent 9.

“It makes me feel proud. I would even encourage the next person to do it.” Respondent 9

“It created a great bond between me and Ntokozo (younger half-sister) because she always tell me the way I played a big role in her life, because her father does not maintain her.” Respondent 10.

“No, I would be lying to you. I don’t feel guilty at all. I don’t feel guilty actually it gives me pleasure to help my family”. Respondent 8.

Emotional tax

In this sub-category there was an emotional element associated with why respondents provide for their families. The codes indicate negative emotional references, with guilt and feeling indebted having the most number of mentions in the emotions theme, with 22 mentions and 20 mentions respectively. The emotional views expressed for why respondents provide for their families are indicated in the quotes below.

“I would say it’s a bit of guilt... uhm the fact that what my mother has been through to help me get where I am and what my stepfather has done for me, which my biological father has not.” Respondent 3.

“So, you know you are always having this GUILTY conscience, they you decide that you know what, let me do something at home. And whereby it’s not a must that I must do it.” Respondent 1.

“I cannot like be comfortable drink coffee and yet I know my sister is in need of something and I can also assist.” Respondent 11.

5.3.2 Duty/Obligation

Most of the respondents indicated that the material and financial support they give their parents is because of duty or reciprocity, based on how they were raised, the values that govern the family, or a sense of duty or obligation. The duty or obligation presented a weakness that the respondents possess, which adds to the narrative of the powerlessness that comes with vulnerability. They cause vulnerability because individuals resign themselves to the fact that they must help their families, especially since some expressed that their family would come together to assist them should they need help. The respondents indicated that their duty or obligation is not necessarily expressed in words, however it is the manner in which their families operate based on traditional norms in society. Duty and obligation are also linked to the rationale for support that the respondents gave for providing support for their family members.

“I actually since I started working in 2011 I uhm started as a how can I say I have a responsibility or duty to my parents.” Respondent 16.

“No it is not communicated it’s all of us understand our way of life what we can and what we cannot afford, you don’t have to be told or to be reminded or to be asked, you know, they know, everybody knows that’s how we have survived even during the times when we were still legally disadvantaged you know.” Respondent 6.

“Taking care of extended family has been part of African population for as long as I can remember. Previously during the subsistence period when we are not doing things for commercial gains that was regarded just as a way of life and not as a form of... what can I say... not regarded as tax.” Respondent 12.

Obligation

Obligation was the highest ranked code, with 28 mentions by the interviewees.

“...I just feel obliged to do it because I realise that without my financial intervention they will simply not have food or they will not be able...” Respondent 6.

An opposing view from a respondent indicated that obligation is not a motivation for supporting their family.

“Because it is not an obligation, we are not obligated to do those things we doing it out of love.” Respondent 8.

Respondents also reflected the sentiments of the duty of care.

“Because you see once... the black tax thing, there is a gap that wants... and like I said when we started that you’re willing and able to close or the help that you can offer to someone. If you can I will encourage any person to extend that hand to uplifting other people’s lives. That’s how I feel. It’s a good thing to do.” Respondent 9.

“Uhm the thing is uhm maybe I feel like I need okay no. 1 is it affected me financially uhm financially and although nobody is asking me to do it but I feel like it is a sense of duty so and I have my own life now I’m married I have my own home so I feel like uhm I kind of have to have double the amount that a normal person would with their own household looking after their own things and me because now I kind of have committed to two uhm to two homes kind of.” Respondent 16.

Sacrifices of parents

Furthermore, the sacrifices made by the parents were provided as causing vulnerability, as the respondents have to put their parents’ needs before their own. These responses also indicated where the sense of duty or obligation originates from in their lives. The respondents expressed the need to reciprocate because their parents sacrificed for them to be successful in life. This sub-category can also be linked to the theme of rationale for support, because they are explaining why they are paying the black tax.

“They fought and they did a lot of things for us. You know my dad did a lot actually.” Respondent 1.

“Well for me because she sacrificed a lot when I was in school because she was single.” Respondent 2.

“Uh, the thing is I don’t want her to suffer... like you see. Uhh... it’s the way I feel. I feel like that because, uhh...she is my mother. Like she has been through a lot and also she has sacrificed a lot for me. It’s not like I’m repaying her or anything, but yeah, if I don’t do it who is going to do it? I am her only son so...she has been doing a lot for me so.” Respondent 5.

Indebtedness

The respondents further indicated that they assist their families because they feel indebted to them due to the support they gained from their families. This is a negative sentiment that also indicated a lack of choice for the respondents, i.e. they will not leave their family to suffer while they are making it in life.

“For them, actually for me to be where I am, that’s why I’m saying I haven’t done enough for them I need to appreciate their efforts.” Respondent 1.

“Uh, the thing is I don’t want her to suffer... like you see. Uhh... it’s the way I feel. I feel like that because, uhh... she is my mother. Like she has been through a lot and also she has sacrificed a lot for me. It’s not like I’m repaying her or anything, but yeah, if I don’t do it who is going to do it? I am her only son so... she has been doing a lot for me so.” Respondent 5.

“...she took me back to school with her cleaning money, whatever but that’s salary was too little for her but she managed I don’t know how. Then when I finish when I completed my studies I felt like I owe her, like she never said I owe her.” Respondent 4.

5.3.3 Impact

The overarching super theme of impact was deduced from the following themes that emerged from the interview data.

a. Impact on finances

Finances was one of the biggest themes in the research, with respondents expressing how they are impacted financially by their commitments to their families. This theme resonated with the interviewees, who expressed the importance of financial security in their lives. Moreover, it was indicated that the contribution and support they give to their families affects their finances. Finances were also found to affect the respondents’ consumption patterns, i.e. they detailed how they are unable to spend their income as they please or do certain things, and have had to delay or give up spending money on leisure or assets. Moreover, this financial support has led interviewees to adopt bad financial practices, such as taking loans and spending their savings, while some have ended up being blacklisted because of this practice.

All interviewees replied in the affirmative that their financial stability and security is affected by their additional responsibilities to their families and the shallow roots that they have, which are

associated with their inherited and generational disadvantages. This parallels the shallow support structure that is detailed above. Contrastingly, only two respondents admitted that the black tax has no impact on their finances or financial security. The list of codes on financial impact can be found in Appendix C, Table 3.

Support/contribution of black tax

The emerging middle class give a lot of support to their immediate and extended families, and have ad-hoc and permanent financial commitments that they have to honour. This support is not always in the form of a financial contribution however, but also includes time, i.e. they have to take time out of their own lives and give it to their extended families, and have had to delay improving their own lives in order to ensure everything is taken care of at home. This can be linked to the discussions from research question one regarding the motives the middle class has for supporting their families, the family situation, and the roles they play in the circumstances. It is noted that this support or contribution is the cause of the financial strain that individuals carry.

Forms of support

Basic support or contribution

The most highly rated responses for the theme support/contribution were monthly expenses they considered basics, such as groceries, water and lights, and municipality rates:

“Usually I would buy groceries, like full grocery.” Respondent 1.

“So, she will buy groceries with that money. And if there is a shortfall on her uhm, electricity and rates, then she will use it for that.” Respondent 2.

“Ja, yes and like when you do the grocery can only buy the basic stuff like mealie meal, rice, meat, vegetables, milk.” Respondent 8.

“...more like basic because like uhm I was saying my dad earns an amount of money sometimes it's not enough to cover like say petrol or lights and water and then food so from my side my contribution actually helps my dad cover all of the things together with the little that he earns.” Respondent 16.

Luxury contribution

One interviewee, who is considered an outlier, highlighted that they provide luxury items for their parents as they already cover the basics. Another highlighted that over and above the basics, they have assisted in paying off a bond for a parent and purchasing a car for their parents.

“I think for mine what is unique is that it is different with both parents. So for my mother who is still employed and earn reasonably well uhm things that I would give her would be considered more luxury items. I would pay for holidays or give her extra money to

spend on that holiday uhm with my father on the other hand even though there within a household for him you may consider it necessary". Respondent 15.

Most African respondents mentioned having to “fix” a home first, which included house renovations and building houses. As these properties do not become the assets of the individual, they thus offer little protection in the event of shocks. Furthermore, this can be linked to the element of past or inherited disadvantages highlighted in research question one.

“...by God’s grace I managed to build them a home.” Respondent 9.

Overall, the financial situation of the emerging middle class makes them highly vulnerable, because it is directly related to their ability to invest in assets and other financial products that will protect them from any idiosyncratic shocks that may affect them, e.g. loss of income. This supports and adds to the vulnerability narrative.

Financial security

The importance of financial security was rated high by the interviewees, with all 18 sharing the sentiment that financial security is important. This includes having assets, savings, stable employment and investments that will protect individuals from risk. None of the respondents pointed to a loss of employment as a risk to their financial security, thus the assumption was made that they perceived their current employment status to be stable.

The interviewees pointed out that their financial security is threatened because of the obligation they have to their families. This affects their savings rate and the acquisition of assets, which are noted to be critical to protect individuals against idiosyncratic shocks that might befall them. The financial situation of the individuals may lead to a limited ability to respond to risks. Nine respondents expressed that the black tax does impact their financial security.

“Yes, because I have to invest less, because I have less of what I have available to invest. So I don’t invest first and pay my mom, I pay my mom first and then I invest.” Respondent 2.

“Yes, obviously saving less, that money that we give to them we would rather be saving it for our own purposes, whether it’s for the future or late future or long-term future but uhm its human nature, you want to keep all your money for yourself if possible.” Respondent 6.

When the interviewees were asked if they are affected financially by the black tax, the below responses were given:

“Yes it does because whatever that I am taking I could have saved more.” Respondent 18.

"You take your own resources and you split amongst yourself, parents and siblings. So you must be having something incoming on your side so you can share with those people because if you've got no income." Respondent 9.

This point of vulnerability poses a risk to some individuals, who described having missed account payments and being blacklisted, which has compromised their financial stability.

"Sometimes you can even just say no, let me skip my account and not pay it..." Respondent 18.

"I end up being blacklisted when I started working because of her..." Respondent 10.

The respondents revealed that a negative financial aspect of black tax is having a limited ability to invest and acquire assets, which makes them vulnerable to idiosyncratic shocks.

"I am supposed to go home and buy for me a house or to check something for me maybe a flat to rent. So because of them or maybe there is some extended family I am looking after, so these other things I can't do for myself." Respondent 7.

"An example is I had to delay paying off my car, my first car. I had to delay. So I could not own property because I still want to build at home." Respondent 9.

"Yes, because I have to invest less, because I have less of what I have available to invest. So I don't invest first and pay my mom, I pay my mom first and then I invest." Respondent 2.

"Yes it does because whatever that I am taking I could have saved more." Respondent 18.

"Yes, it does have a big impact but I am going to try with that savings... I think the black tax affects me because with that family but ah me I am prepare to make a little savings." Respondent 7.

When looking back at not investing in assets or savings, one emotion that came through was regret, which is summed up by the following quotations:

"All my life, I have been putting other people before me." Respondent 11.

"Yes it does have a big impact but I am going to try with that savings..." Respondent 7.

"Yes, because I have to invest less, because I have less of what I have available to invest. So I don't invest first and pay my mom, I pay my mom first and then I invest. But if you look at chronologically right, I get paid, then debit orders go off for medical aid, then the instruction that goes off to pay her cash and in whatever is left, that we save." Respondent 2.

"It is important but what is the point of investing but someone is sleeping hungry." Respondent 8.

One respondent expressed that the black tax is a potential threat to his financial security.

"Uhh, with the current situation, I think it's not. But I can imagine if maybe for instance my sister loses her job and stuff you see. It's always a threat. I feel that there is a

threat... like, already it's in the family that we must help each other, so..." Respondent 5.

Positive financial impact

One interviewee mentioned that the black tax helped them become savvier with their finances, taught them to save and made them think of the consequences of spending money.

"...so like for example I wouldn't uhm at the top of my head give you uhm spend money lavishly or buy a new car or anything like that cause for me uhm I feel like uhm I should always keep that money for a rainy day." Respondent 16.

"I look for ways to assist my mother, either by being more savvy with the money that I do..." Respondent 3.

One interviewee said that the black tax helps them look for opportunities for passive income.

"...so now you know like if I need like a passive income I have to do it myself so there is also a good side of it." Respondent 14.

No impact on finances

There were some opposing views on the black tax and its impact on finances, with a few respondents expressing that it was not affecting them financially, however they were aware that the threat exists.

"Uhh, with the current situation, I think it's not. But I can imagine if maybe for instance my sister loses her job and stuff you see. It's always a threat. I feel that there is a threat..." Respondent 5.

"No, I'm doing that, you know out of my good heart. It's not forced, that I just do that. So, if it was affecting me I wouldn't be doing it at all." Respondent 1.

"Not at all." Respondent 15.

a. Impact on consumption patterns

The question about finances revealed other insights that indicate the impact of the black tax on the emerging middle class. The discussions revealed that the consumption patterns of this group are influenced i.e. a lot of their consumption decisions are influenced by the financial obligation they have to their kin. Vulnerability is also associated with feeling powerless in a consumption situation and not being able to act in one's own best interests.

The interviewees felt that they cannot do certain things. The points associated with consumption patterns of the emerging middle class are detailed in Figure 4 below. Consumption patterns were found to be affected by their situation in a negative manner. i.e. they cannot consume as they want and have delayed crucial financial decisions. This ties in

with the element of attainment found in socially mobile individuals. Furthermore, associated with consumption was the issue of affordability for some respondents, who highlighted that they are, at times, unable to afford certain material things because of the responsibilities that require their attention. Coupled with the previous statement is the feelings of guilt that respondents feel when they spend money on themselves because they have the image of their families that are in need in their minds.

Asset acquisitions are also hindered because of obligations that respondents have to their families i.e. they struggle to invest in assets because they cannot afford to given their circumstances. Moreover, their savings are also heavily impacted, respondents have to first cater for the responsibilities at home, leaving them with little disposable income to save or invest.

Main Point		Supporting quote
Affordability	Another element is affordability, whereby individuals make choices that have them depriving themselves because they have responsibilities that need their attention.	<i>"...at time make me feel upset that I have to cut down on my own personal stuff and personal things because of my duties and my responsibilities..."</i> Respondent 16.
Guilt associated with spending	Associated with this is also emotional feelings with regards to spending. Feelings of guilt and feeling ashamed.	<i>"Yes, its small things like we want to go on holiday, like we don't tell them until we are actually physically on holiday."</i> Respondent 2.
Asset Acquisition	Assets acquisition is noted a a large part of the consumption patterns of the respondents. Assets are crucial to protects individuals from shocks, the lack of savings, property and other investments make the individuals highly vulnerable to shocks. The lack of acquisition of assets was also noted as a point of vulnerability, as interviewees mentioned having to delay or give up buying assets due to the responsibilities they carry at home.	<i>"I am supposed to go home and buy for me a house or to check something for me maybe a flat to rent. So because of them or maybe there is some extended family I am looking after, so these other things I can't do for myself"</i> Respondent 7. <i>"An example is I had to delay paying off my car, my first car. I had to delay. So I could not own property because I still want to build at home"</i> Respondent 9.
Impact on savings	Others expressed saving less due the responsibilities that come with their family situation.	<i>"Yes obviously saving less, that money that we give to them we would rather be saving it for our own purposes, whether it's for the future or late future or long term future but uhm its human nature, you want to keep all your money for yourself if possible"</i> Respondent 6.
		<i>"My expenses are more than my salary, so I don't even save"</i> Respondent 10.

Figure 4: Points associated with consumption patterns

Respondents also felt that they cannot spend money on themselves if their families are suffering or disadvantaged:

“... you cannot be prosperous while your family suffers.” Respondent 1.

Some of the responses regarding impact on consumption patterns are presented below:

“A lot of things. A lot of things like sometimes you want to buy yourself maybe a tekkie a R800 tekkie but you cannot because you have two siblings that relying on you so you have to compromise in that R800 you rather buy three pairs of the cheapest one.” Respondent 8.

“You cannot be seen going on holiday while my siblings they cannot afford school fees.” Respondent 17.

“...you can't commit to doing a lot more for yourself in the event that your family might need something, so like for example I wouldn't uhm at the top of my head give you uhm spend money lavishly or buy a new car or anything like that cause for me uhm I feel like uhm I should always keep that money for a rainy day.” Respondent 16.

“Because in much cases you need to go on holiday then you say no that R10 000 if I can go on holiday... if you look back at home there is no chair then you need to do this and then you don't even have time to spoil yourself.” Respondent 18.

b. Personal impact

The emerging middle class experiences vulnerability with regards to starting families due to the responsibilities they have at home. Vulnerability is associated with feeling powerless, and this group expressed feeling powerless and not in control of these crucial decisions in their lives. Family planning was therefore one of the themes that emerged as a point of vulnerability in their lives.

“It delayed me starting my own family.” Respondent 9.

“Oh okay so even if like just another example for me is that I also rethink having kids of my own because of the financial impact it would have on me as the parent because with kids means more (unclear) for yourself uhm so if I have kids it going to actual impact my contribution to my home and uhm and all though that is something defiantly that I want I do want children but I think twice about it because I know I would have to cut back on a little bit of responsibility to my home if I do have children.” Respondent 16.

c. Impact on mobility

This theme emerged when the interviewees were asked how they have been affected by the black tax, and if they have delayed or given things up because of their current situation. Mobility is associated with the attainment of education, income, power and assets in relation to their previous status, and indicates a shift in an individual's social position, status and economic participation. From the conversation it was gathered that the mobility of the emerging middle class is impacted because the respondents' ability to participate in the

economy is influenced, i.e. they struggle to attain further education or acquire assets. A point of vulnerability is thus their mobility in the social class.

"I had to delay. So I could not own property because I still want to build at home." Respondent 9.

"So I had to put my dreams on hold and make sure that I assist my sister. So it affects me a lot." Respondent 11.

Progression in life also came up in the discussions, with interviewees mentioning that their progress in life was delayed or is disrupted by the black tax.

"The downside is that it delays one's progress. It delays the tax payer's progress." Respondent 9.

"That means you put your life on hold for the sake of your family." Respondent 11.

Also, when compared to their peers, they are not progressing as they should.

"I think in terms of, in terms of perseverance yes it does so it takes you a couple of steps backwards where people on your level and people on your same age or level of earning they take three steps forwards but you it does take you a little back it does hold you back..." Respondent 16.

"I have to cut down on my own personal stuff and personal things because of my duties and my responsibilities and especially when people my own age uhm you know are doing these things with what they earn and stuff like that whereas with me I cannot do the same even though I might be earning as much as they do but uhm I cannot do the same." Respondent 16.

d. Impact on life choices

Life choices emerged as a point of vulnerability for the emerging middle class. The interviewees felt that their life choices are impacted which makes them vulnerable.

The impact of this vulnerability is sometimes huge for some individuals; one interviewee broke down into tears when responding to a question about how their life was affected. They expressed concern about the choices they made in the past, and if their choice to get married and start a family was a good one.

"It makes you question your decisions. There was a time I was asking myself if I love my partner or it's because he gives me the money that I need." Respondent 10.

Restrictions

Continuing one's studies is another life choice that is a point of vulnerability. This life choice is a restriction that leads to future vulnerability and lack of mobility, because individuals are unable to progress at the same rate as they would have been able to if the situation was different.

"Yes, some of my things delay because if ever you think of doing something maybe let's say I want to further my studies then I think there is something that... you see the

inflation... the rent become higher each and every month. So if ever you think of doing something or you are planning to do something next month, then the rent is higher next month so you are supposed to take that money and put it on the rent. So the thing that affects me maybe all of the time is that one.” Respondent 7.

“I actually put my studies on hold even if it is like R4000 or R5000 a month towards my studies or a subject or whatever it is I had to put that on hold because I needed to use the money somewhere else.” Respondent 18.

Additionally, the interviewees felt that have neglected themselves and prioritised the needs of their families.

“I have neglected myself too much, because my needs are now second to the needs of my family.” Respondent 10.

“That means you put your life on hold for the sake of your family.” Respondent 11.

e. Generational impact

This theme emerged from the question: “Would you want your children to go through the experience? Why or why not?” All the interviewees, whether they had children or not, mentioned that they do not want their children to experience the financial impact of the black tax, which may be an attempt to bring stability and break the generational impact. However, some felt that it teaches you important principles that are good, which is what they would like their children to learn or gain from the experience. This is embodied by the comment below:

“It’s a yes and no. The yes part would be the principle of learning to provide for yourself and your family from an early age. Only because it helps you I your career to appreciate the money that you get. So not necessarily to give me money or to work for me but to kind of pretend that you know what anything can happened at any stage, make sure you’re a savvy with your money, make sure you... let your money work for you, you don t work for your money. But I would never want my children to support me the way I have to support my family.” Respondent 3.

Some comments expressed pain in their own experience:

“No. Hell no. He is not going to have that. It’s not going to happen. It’s painful you know, it’s really painful.” Respondent 11.

One comment that linked financial security to vulnerability indicated a desire for their children to be independent and have more capacity to act in their best interests.

“Because I would want my children to make better decisions than I. Also be financially independent.” Respondent 17.

f. Impact on relationships

The interviewees were asked about the impact of the black tax on their relationships, which is an important factor in the support structure and social bonds that were found to influence vulnerability. Relationships are important support structures for people, whether on an

emotional or practical level, thus relationship management is crucial. Maintaining good relationships is also important as they are potential risk sharing networks which may protect the emerging middle class from the effects of idiosyncratic shocks.

The responses varied, with some describing a positive and some a negative impact on relationships. On the negative side, the respondents indicated that conflict does arise because of the situation they are in, whereas the positive responses indicated empathy and an understanding between partners, thus their relationships remained unaffected.

Spousal Relationships

Five interviewees indicated that their relationships with their spouses are affected by black tax, and six expressed the opposite view.

Spouse relationships not impacted

The findings indicated that some spousal relationships are not impacted or are positively impacted. This distinction is a result of a common understanding that partners have with regards to the support they give to their families. Spouses who have common experience of providing for their extended families share an understanding that they have a duty or obligation to their respective families, thus it does not impact their spousal relationships.

“The black tax it did not have an impact, if an impact it’s a positive one because I married someone in a similar position and that was by choice.” Respondent 9.

“I think it doesn’t have any affect in our relationship... He provides so much for his family. So and I do on my side he cannot complain and say but why are you buying sugar for your sister no because he understands. Even today he is still taking care of his mum and dad and sister and two brothers.” Respondent 8.

“It has not impacted our relationship, because it’s always an agreement between me and her, ne. On that specific month if we have done that, she will know exactly that whatever we have planned to do after we have done something to my family or extended family.” Respondent 1

Spouse relationship negatively affected

The findings indicate that some spousal relationships are negatively impacted by the black tax, with some respondents indicating that situations involving money do cause conflict. They reflected that sharing their income with their families does not sit well with their spouses because they do not understand the situation. The respondents revealed that they have had to be dishonest with their spouses in order to continue providing financial assistance to their families, possibly putting their marriages in jeopardy.

“It has an impact but I don’t want to dwell on the negative energy. Look sometimes everything that involves money bring issues big time”. Respondent 12.

“Ja, in the beginning of our marriage it used to cause conflict.” Respondent 6.

Feelings of conflict and acts of dishonesty have impacted some spousal relationships, with some reflecting that their spouses at first did not understand why the respondents were providing support to their families.

“A lot because sometimes you need to lie to say no I still have the opportunity to...”
Respondent 18.

“Uhm the things is I think at first my husband didn’t understand because he, he doesn’t come from the same situation yes... Uhm so at first he didn’t understand this but after so we married for five years now.” Respondent 16.

Extended family relationships

The question about extended family relationships being affected resulted in some evasive answers, whereby the interviewer felt that the respondents did not want to paint their families in a bad light.

Positive sentiments regarding family relationships

Although black tax is widely discussed as having a negative impact, some respondents noted that by paying black tax their relationship with their families are not affected. They recognise the importance of helping each other as a family, due to the foundation that was laid by the older generations in the family.

“Nah, there is no issues with the relationship. Like... like... uh... the way I see it like you learn from the parents ne, to say that’s the way things at done at home. Uh... you see how close they are (uncle, mom and aunt). It was never a problem. So they saw from their brother (my uncle) to say that’s how things are done. Like if you are ok, try and make sure the next person is also ok.” Respondent 5.

“No the thing is it doesn’t uhm it doesn’t how can I say it hasn’t affected the relationship we still have a good relationship.” Respondent 16.

Negative sentiments regarding family relationships

This section captures the negative sentiments of respondents regarding their family relationships as a result of the black tax. These interviewees reflected that families sometimes act in an entitled manner towards their income, causing conflicts and tensions in relationships. They indicated that these conflicts cause a distance between their families. Furthermore, they reflected that their families are not sympathetic about their situation and expect them to assist no matter their circumstances.

“Sometimes I’m ok with it sometimes it does cause uhm conflict”. Respondent 6.

“I feel like they are selfish.” Respondent 11.

“The thing is people that brought you up and then when you start working they expect you to give back to them.” Respondent 14.

“At that time it was affected because there was a bit of tension and a bit of a distance.” Respondent 11.

Neutral sentiments regarding family relationships

Some relationships are not impacted by the black tax, i.e. it is seen as a non-issue, because according to some they have attained a better economic status and can support their families. The interviewer did feel, however, that some of the answers were evasive, as if the respondents did not want to paint their families in a bad light.

“I think it’s one of the things I always think I am blessed with. Even though we’re coming from a big family because as I am saying there is five of us and yes we are different. But somehow we get along in our own ways. To an extent that when I hear certain things other families go through, I just don’t believe how do people of the same... because I never experienced certain things. Honestly I don’t think I ever felt any bad feeling around how my siblings treated me or whatever happened, specifically in relation to black tax or whatever.” Respondent 17.

“Uhm, my mother is an only child, so there is no brothers and sisters. My father is the youngest child and his siblings have passed on. So it’s not really an issue. People might have comments, but nobody else except my parents have ever gotten money from me.” Respondent 2.

5.3.4 Support structure

The theme of support structure resulted from the interview question which inquired “Who would you turn to for support if you were to lose your job?” This support structure is described in the literature as a means to protect individuals from idiosyncratic shocks that make them vulnerable, due to the purported risk sharing that exists in a support structure.

The interviewees expressed that they felt an expectation to provide for their families, which reflects an element of vulnerability in terms of a lack of choice or powerlessness. This section highlighted the views expressed by the respondents with regards to their support structure and what it means to them. The list of codes on support structure can be found in Appendix C, Table 4.

Part of the support structure discussion is the expectation of reciprocity that families have:

“The thing is people that brought you up and then when you start working they expect you to give back to them.” Respondent 14.

“They are expecting something that you are now from school and you now have to do something in return so that since you have completed matric and stuff like that.” Respondent 1.

“Yeah, there is definitely an expectation.” Respondent 3.

Additionally, the respondents felt that they have a duty of care towards their family members, and felt obliged to reciprocate towards their kin who helped them achieve their current status in life. In this way, they are a support structure for their families.

“I also come from a culture of I have been helped like that before by my brother, meaning I was his own black tax myself.” Respondent 6.

The image below summarises the link between vulnerability and support structure. In cases where no risk sharing exists due to a lack of a support structure, which is dependent on the role of the spouse and family i.e. siblings willing to share the burden of support and spouses sympathising and providing the emotional and financial support, individuals are exposed to the risk of not surviving idiosyncratic shocks, making them vulnerable. The opposite scenario is also true; having a support structure means risks can be shared, thus reducing the risk of idiosyncratic shocks and reducing vulnerability.

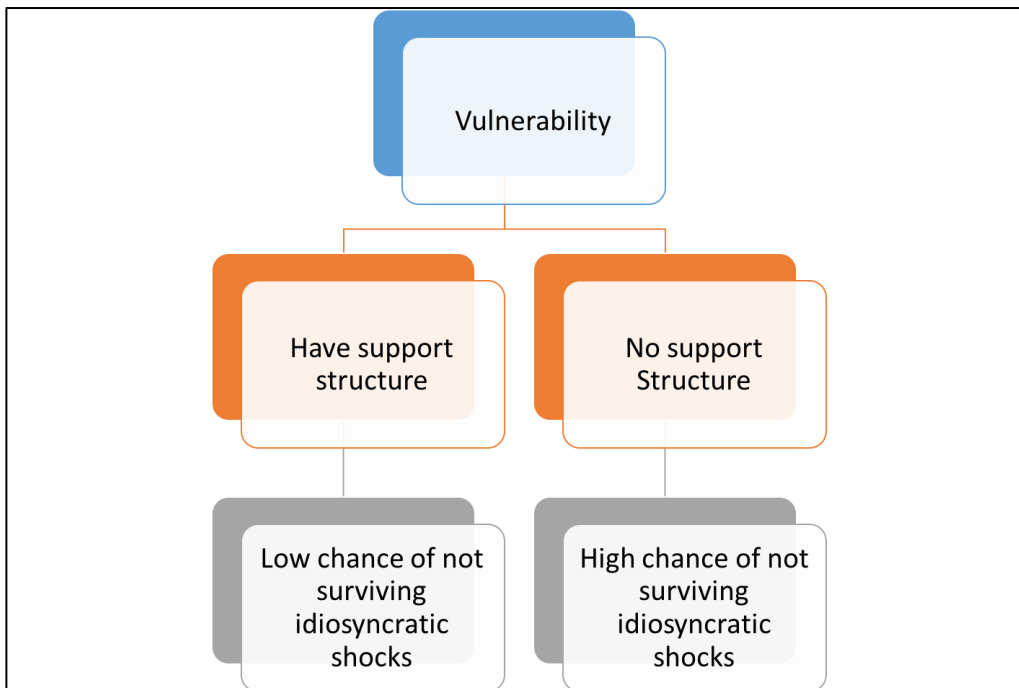


Figure 5: Illustration of vulnerability and support structure

Spousal support structure

From the interviews, it emerged that the respondents who are married will turn to their spouses for financial support. This aspect of the data is also an indicator of a possible coping mechanism that respondents use to deal with the situation. For some who have partners that share the same experience of black tax, there is a sense of solidarity and understanding between the parties. Moreover, associated with this is a sense of relief.

“He provides so much for his family. So and I do on my side he cannot complain and say but why are you buying sugar for your sister no because he understands. Even today he still taking care of his mum and dad and sister and two brothers.” Respondent 8.

“So on my spouse it had a positive impact because she is in a similar position. She is the eldest of three. Her siblings are now at Tukkies, two of them.” Respondent 9.

Family support structure

Some interviewees mentioned that their parents and families will be there for them in the case that they suffer from idiosyncratic shocks, which can be linked to the theme of social bonds and how families are structured to help each other in times of hardship. As long as their family is alive they will have a roof over their heads and food. These interviewees will be less vulnerable to idiosyncratic shocks. There was a sense of relief from the interviewees that someone would be there for them in times of hardship.

“My husband and my family.” Respondent 17.

“I would like to think my wife. My spouse and my parents and siblings. I hope so.” Respondent 9.

Two of the interviewees who had already been affected by retrenchment in their lifetime said:

“My parents (laughs). Obviously for them it will just have to be... if I’m unemployed ne, I will turn to my parents they will actually know. So back then when I was unemployed it was my parents who were helping me. But that’s not the reason I do this for them, I do things out of the goodness of my heart. It’s not pressure from them that I just help them because that assisted me. I grew up like that. In the case where I lose my job will turn to my parents and they will assist me.” Respondent 1.

“Only my wife, period. That’s all. All the friends that I party with when I am home, chowing the lodge money, they will feel sorry but putting money on the plate and say hay chomi woza. I have been down those roads phela. I have been retrenched twice in my probational career and I know that when days are... you know Siphu Gumede he is late now he is a South African Jazz Artist. He had an album but on that album he had a track that says when days are dark, friends are few. I have seen that.” Respondent 12.

Two respondents expressed gratitude for the black tax that was paid to enable them to achieve progress in their lives. This is a possible indicator of the reasons why these individuals “pay” black tax to their families.

“Where the siblings (uncle, mom and aunt) came together and my mom said ‘This is what I have’. My father was never there to help. So, then they managed to pay for me. I was actually staying by my uncle for the whole of my first semester, travelling from Randburg to Doornfontein. Then they paid for my S1, all three of them.” Respondent 5.

“...I have been helped like that before by my brother, meaning I was his own black tax myself.” Respondent 6.

No support structure

Some respondents expressed concern that they would have no one to turn to for support, either because they are the breadwinner at home or because no one else is reliable enough to help them.

"I am not going to lie, there will be no one. I am on my own. So which means God needs to open something. I am not going to have anyone." Respondent 18.

"I would turn to Jesus, no one else (laughs)." Respondent 2.

"Ow sisi, no one. No one exactly." Respondent 7.

"Financially, I have no one. Why am I saying I have no one? Because I have pride to ask for help. I don't know. I don't know, that's the way I am, but I know there is a very few people who would be glad and willing to assist." Respondent 11.

One interviewee expressed determination by saying that she would be resourceful in order to ensure that she survives if she loses her job:

"If I were to lose my job today, there is one thing that I always tell myself that as long as I have these two hands, these two feet and the brain that God gave me, I will never go to bed hungry. There is a lot of things I can do with my hands and my..." Respondent 11.

Some expressed sadness when they realised that they have no one to turn to for support should they lose their jobs.

"It kills me slowly inside." Respondent 18.

These individuals face the risk of being negatively affected by an idiosyncratic shock. The lack of support increases the vulnerability of this group, which has implications for the families that they are giving support to. Furthermore, this highlights the importance of job security for those who are providing support to their families.

5.3.5 Family situation

The theme 'family situation' is an overarching one that includes many elements related to the black tax. Associated with the family situation are elements such as social bonds that link individuals to their immediate and extended family and provide the basis for support. Additionally, it was found that the role individuals play in their families in the context of the black tax is a direct result of their family situation. Furthermore, according to respondents, the family situation can also be linked to the rationale to provide support.

All the interviewees indicated that their family situations play a major role in their vulnerability, because they are directly responsible for their families' general living expenses, lifestyle support and healthcare. This is an inherited disadvantage that the interviewees carry.

"Gets passed on from generation to generation, based on the past disadvantages that your family had." Respondent 3.

One of the main disadvantages and direct influences of the interviewees' family situation is their parents' situation. Many described that the ability or inability of their parents to provide is related to their level of education, employment status, marital status and financial education.

"They are not educated, uhm, or they have never gone into an industry that requires, uh you to have a degree. My mother has never finished school. They lost their jobs, four... five years ago, uhm and (pause) I have been supporting them ever since I, uh, I've actually been supporting them ever since I have gotten a bursary." Respondent 3.

"I mean for him he was working in construction; my dad never went to school. It was that time where they grew up in farms and staying there for six months, working for that white person and another six months, he will just get a bag of mielie meal for his work." Respondent 1.

"Also for my side of story I was raised by a single parent she was a cleaner." Respondent 4.

"...I don't think that they were exposed to the benefit of saving early or having a retirement annuity early uhm or staying for long periods in a job because you are building up your pension. They did not think that far ahead." Respondent 15.

"Yes. I need to be responsible for them because mom is not working and my dad is on pension so a person cannot do much." Respondent 18.

"My parents are divorced..." Respondent 2.

"My mom and dad were never married." Respondent 5.

One interviewee indicated that the system plays a role in their current situation, however they support their family irrespective of that fact.

"Because its neither my fault or my parents' fault that I'm supporting... that I would need to support them." Respondent 2.

Another interviewee noted the effect of apartheid on their situation.

"Money that you pay as a non-white person to support your family because of the effects of apartheid." Respondent 2.

Siblings do not help

The interviewees mentioned that siblings and other members of the family who are employed do not share the financial responsibility with them, i.e. they elect not to pay the black tax. This places the financial burden solely on one individual. The reasons for this were not explicitly identified in this research. This can also be linked to the theme of support structure, which is directly related to vulnerability. Support structure can help individuals withstand unforeseen events that might affect them.

“Most of them don’t, I am the only one. I buy the groceries and get the appreciation.” Respondent 1.

“I don’t think my brother has that understanding of what black tax actually is. Because he has never really had to provide for the family”. Respondent 3.

“Okay so the thing is unfortunately my, my brother he would make contributions in terms of what can I say (unclear) for example like if he is on his way from work and my mom says I need this to cook his got to do that, but in terms of his monthly as in amount that’s doesn’t it’s not he doesn’t do that because the thing is he is currently experiencing what can I say personal problems and he has a child and all of that kind of thing so his commitments are a bit different.” Respondent 16.

Siblings help

There were also positive aspects related to the family situation, however only two interviewees indicated that their siblings share the responsibilities with them.

“I am not the only one who is helping at home. Siblings are working.” Respondent 1.

“One of my sisters has the responsibility of paying for electricity. The next thing electricity is not paid and now electricity is not paid you need to go and pay it. My other sister had the responsibility of paying the gardener.” Respondent 18.

This eased the interviewee’s burden of supporting the family.

The family situation was indicated as being the cause of vulnerability. The family situation, which is a factor that respondents have no control over, shapes their experience of vulnerability. This adds to the narrative that vulnerability often leaves individuals powerless and resigned to a situation because they cannot change it. The family situation has also led to the respondents not being able to accomplish their goals before they fix the financial situation at home.

5.3.6 Social Bonds

Social bonds that are found between family members are an example of bonding social capital, which helps people “get by”. Family bonds compel respondents to assist their families. The literature indicates that Ubuntu is a principle that is associated with social interdependence and is deeply rooted in community. Furthermore, it is driven by moral norms and values which are associated with altruism, kindness, generosity, compassion, respect, courtesy and a concern for others. The findings can be linked to what the principle of Ubuntu stands for and the reasons why they assist their families, i.e. they grew up sharing and providing some sort of social security to family members who need it. The does linked to social bonds appear in Table 6, Appendix C.

Ubuntu

Ubuntu plays a big role in the community and families and is used to justify the actions people take. The respondents expressed that they end up financially providing for two households due to a sense of duty, which can be linked to social bonds as causes of vulnerabilities for the emerging middle class. Evidence of Ubuntu was captured by the following comments:

“But somewhere it’s a good thing, I am saying it’s a good thing in a spirit of Ubuntu like I am who I am because of you. I think for me that’s where it actually comes from than any other thing. It comes from... you cannot build a family on your own but it’s a community thing. I think that’s the good part around it because then you are actually sharing like when it gets better the others are actually getting better as well.” Respondent 17.

“Taking care of extended family has been part of African population for as long as I can remember. Previously during the subsistence period when we are not doing things for commercial gains that was regarded just as a way of life and not as a form of... ngizothinin... not regarded as tax...” Respondent 12.

“From an individual point of view it’s a family thing, but our community or so there’s those that are giving black tax because they do understand that our community most of it is dire straits so even giving for charity for a community like us is mostly not by choice, is to really save the situation it’s another form of black tax actually, even if you hear even if you heard a person say I donated to that orphanage, the bottom line is those orphanages are there because maybe how our country was governed in the past so I am black there’s an orphanage in the community so, so even giving like that though we call it voluntary but we now actually we have to help we have to help the situation.” Respondent 6.

“Band together as a family.” Respondent 5.

“You grew up knowing you have to share.” Respondent 13.

One respondent indicated that family in the context of Africanism does not only mean your wife and children; it includes extended family as well, i.e. parents, siblings, aunts, uncles, cousins and in-laws. This view indicates that social bonds and the value of Ubuntu permeates beyond the immediate family to include intrafamilial networks as well.

“We believe in a larger setup. Our family is not your wife and kids. Family means mom and dad and your in-laws and so on and so forth.” Respondent 12.

Respondent six highlighted that Ubuntu and their Christian values drive them to give financial support at home because they believe that their days will be extended, while respondent one highlighted that they are providing support for their family in order to receive blessings. This narrative is a new insight that adds to the literature and highlights religious values as influencers of black tax.

5.3.7 Role

The theme of role came from the interviewees describing their role in the family structure. This role is mainly based on the fact that they are employed and earning a salary, therefore they provide for the family. These sentiments can be tied to the question of the understanding of black tax, whereby the interviewees explained that by being employed they are expected to provide for their families. The interviewees take on these roles because they are given to them, because they are the eldest in the family, or because they are breadwinners. The majority of the interviewees said that their role is defined by responsibility and being breadwinners. Responsibility had the most mentions (22), while being a breadwinner had six mentions. The list of codes on role can be found in Appendix C, Table 7.

“At home I am a bread winner because currently it’s only me who is working”.
Respondent 18

“I am a first born at home. I am the only person who is currently working at home.”
Respondent 10

Some interviewees said that they are supporting their families because the responsibility was passed on to them by their parents, indicating a negative intergenerational trend that exists in some families.

“So my younger brother is like my baby because my mom gave him to me when he was six years old by then when she passed away. When my mom passed away.”
Respondent 8.

Others carry the responsibility of supporting their families because of the sense of duty they feel.

“I have a responsibility or duty to my parents.” Respondent 16.

The responsibility as an eldest child was also a common sentiment shared by the interviewees, who described that by default this responsibility falls on them. This indicates that the situation of paying black tax is at times unavoidable for some individuals, particularly if the norms in the family are set up like that.

“Because you are born as the first born everything automatically it falls on you.”
Respondent 18.

“Being the eldest it’s like you are the one who has to provide and it’s not like they are saying it. But somewhere if you (Inaudible) something then you will still find it... it’s waiting for you.” Respondent 17.

“That mentality was instilled in me from a young age being the eldest in the family.”
Respondent 9.

“So, from a young age I knew that I was going to have to support my family.”
Respondent 3.

5.3.8 Rationale for providing support

A theme that naturally emerged from the interviews was the reasons why the respondents help their family members. These reasons varied from personal fulfilment to feeling indebted, duty, reciprocity, obligation and family suffering. These can be linked to the narrative of Ubuntu, which encompasses caring, sharing, dignity, group solidarity, compassion, respect, trust, generosity and kindness. Furthermore, it engenders mutual assistance within extended families and communities.

5.4 Research questions

The following section aims to determine the definition of black tax based on the responses gathered from the interviews.

5.5 What is black tax?

This research study focused on black tax and its influence on the vulnerability of the emerging middle class, thus the interviewer commenced the interviews by inquiring about the respondents' understanding of the subject. Research question one aimed to understand what black tax is from the perspective of the individuals who were interviewed. This question helped frame what black tax means to individuals and how they perceive their experience of the subject. The respondents revealed that the black tax has positive and negative connotations associated with the name, which are detailed in the section below.

The responses gathered on this particular research question were be divided into three sections to show the underlying structure of black tax. The structure indicates that black tax can be divided into three components which include: the causes of black tax, what influences black tax, and what impact it has on the individuals, as detailed in Figure 6 below. The underlying structure indicated in Figure 6 reveals how black tax works and from these elements a definition of black tax was synthesised. The findings reveal that black tax is a social obligation to provide support for family members due to historical disadvantages that affected black families, which places a duty of reciprocal care on the younger generation to support others because they are newly successful, resulting in a financial and emotional impact on individuals.

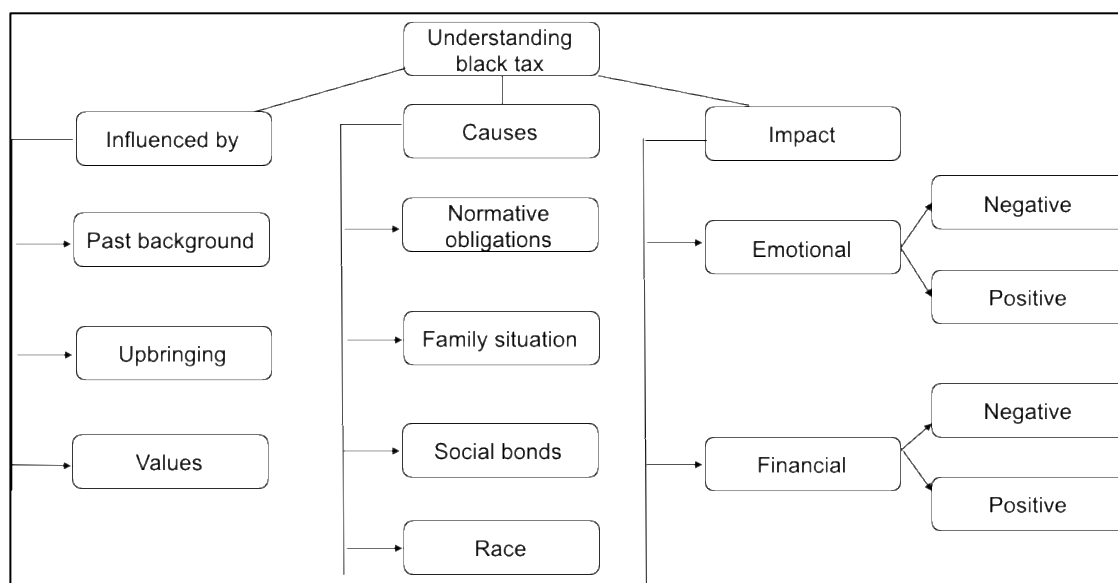


Figure 6: Underlying structure of black tax

The findings revealed that the black tax is caused by the family situation, normative obligations, social bonds and race. Furthermore, it is influenced by an individual's past background, their upbringing and the values they were raised with, such as Ubuntu. Impact is also a big component of the black tax, as the respondents indicated that it impacts them both financially and emotionally, causing disruption in their lives.

Positive and negative connotations

This section outlines the positive and negative connotations associated with the term 'black tax' from the perspective of the respondents. Three respondents rejected the use of the term black tax, because according to them a "tax" is something that one does not want to pay or it is forced upon you. They highlighted that the notion of sharing income with family members who are not well-off is a norm that is culturally embedded, and thus should not be viewed in a negative light.

Positive connotations of black tax

In contrast, the remaining 15 respondents did not object to the term 'black tax'. Their view was that it is a burden they carry and it has an impact on their lives, whether negative or positive. The positive connotations associated with black tax included:

"Well I wouldn't say that. So, the way I see it ne? Uh, I think I see it in a positive way this Black Tax thing, especially from my experience at home. It's not like someone is taking advantage of anyone you see. The way I grew up its like we helping each other. Like if for instance, like my S1 my mom was not going to be able to pay it herself, well maybe she could have gone to get loans and stuff... but since I feel that my aunt and uncle helped me in a way you see. Because I managed to get to varsity and lucky enough... it was only one semester. I was able to get a sponsor. So... I'm not negative about it you see... and like R1500, I can do a lot with R1500 maybe I could save it you see, maybe... because its every month so at the end of the year it's a lot of money, you see. Soo, uhhh... Respondent 5.

The above comment indicates a strong theme of reciprocity, which is noted as a factor in what black tax means to individuals. The respondents indicated that they share their incomes with their families because they are also products of support from their families.

Negative connotations of black tax

The respondents' comments regarding the negative connotations of black tax introduced interesting concepts. The insights from the respondents reveal that paying tax is not associated with having a choice in the matter, however they noted that their choice to assist their families is not forced but rather altruistic. Their views somewhat contradict those of some respondents who feel that the black tax is forced upon them. Moreover, some views were presented that tax is for commercial gain, but the premise of black tax is not. These assertions

bring to the fore a possible re-look at the term 'black tax' in order to find one that is more universal and encapsulates the views of all individuals.

The comments below capture the essence of the above discussion:

"Mention tax who wants to pay tax in general. Now when you add black tax you are already saying it is forced on us a black people, nè." Respondent 13.

Another interviewee viewed black tax as a term used by "educated individuals", and once you regard something as a tax, you expect a commercial gain from that.

"Once you regard something as tax that means there are commercial gains or there is punitive measures for making gains and so on and so forth which I'll have... it's another subject I have reservations about." Respondent 12.

The respondent went further to explain their reservations about the use of the term 'black tax', and introduced the concept of Africanism and what family means in that context. Furthermore, their views were evidence of a belief that we are linked together by our values of Ubuntu and sharing with those who do not have.

"As African people and our socio economic background doesn't enable all of us to afford... our socio economic background isn't a glossy one and as such we need to live from each other. It depends who is stronger and then we tag from that resource. We believe in a larger setup. Our family is not your wife and kids. Family means mom and dad and your in-laws and so on and so forth. That's how it has been regarded. To call it a tax... because we've moved from the subsistence based type of lifestyle to a commercial type of setup where now everything is monetary based. It revolves around the currency, how much of that currency you've got determines your strength amongst your people and that is why they say oh you're taxing me because of my resource commercially." Respondent 12.

Sharing a similar view, another interviewee opposed the use of the word tax:

"Ja I think this this word black tax is not a right word, to say black tax because it is not a matter of must that you have to do things for your family, it's your choice. You can still decide that I'm moving away from them and stay far and live my life. So when you look after them they didn't force you. They didn't force you and like even yourself, if somebody comes with a R50, if gives you a financial relief with that R50." Respondent 8.

5.5.1 What causes black tax?

The first part of the definition of black tax states that "*social obligations to provide support for family members*". This part can be explained by the causes of black tax discussed below, with social obligations being associated with normative obligations and family situation and social bonds and black indicative of race. The respondents attributed the cause of black tax to family situations, social bonds, norms and race. What proved revealing was that most respondents attributed black tax to the past disadvantages of black people, saying that it formed the basis

of how they are currently impacted by the black tax. Furthermore, other respondents alluded to it being a cultural issue, an unspoken expectation, an obligation to assist family members, and a social norm in the family.

“My opinion is that black tax does exist and I think for me it’s actually... I don’t know now with the interviews you’ve done. But I think it’s Black Tax because it’s mostly Blacks who are actually suffering because of this...” Respondent 17.

The quote below indicates an aspect of negative intergenerational wealth transfer, which can be related to literature.

“My understanding of black tax would be the sins that you pay for the past disadvantages that your parents or grandparents, catches up with you and might catch up with your children in future generations.” Respondent 3.

“Okay so my understanding is basically uhm, uhm what can I say it our contribution to her or his or her life or home parents and family extended family uhm once they start to work or earn an income ja.” Respondent 16.

Many expressed that it is an expectation that is not necessarily explicitly stated, however once one starts earning a salary, they are expected to give back. This unspoken expectation may be a result of deep-rooted family norms that are unspoken, however they are picked up by individuals from others’ actions and what they perceive as the way their families should operate.

“They ways in which they grew up is that they are expecting us to be like that.” Respondent 1.

“The thing is people that brought you up and then when you start working they expect you to give back to them.” Respondent 14.

The family situation was considered one of the biggest influencers of black tax, reflecting the inherited disadvantage of the respondents, which is often linked to their parents’ situation. Apartheid was a big factor in the creation of this inherited disadvantage; the respondents expressed that it is the cause of their family’s situation, because opportunities were denied to their parents. Their parents’ education levels and employment prospects were impacted, thus impacting their ability to provide for their families. Moreover, influences such as their parents’ marital status also play a role.

“They are not educated, uhm, or they have never gone into an industry that requires, uh you to have a degree. My mother has never finished school. They lost their jobs, four... five years ago, uhm and (pause) I have been supporting them ever since I, uh, I’ve actually been supporting them ever since I have gotten a bursary.” Respondent 3.

“...I don’t think that they were exposed to the benefit of saving early or having a retirement annuity early uhm or staying for long periods in a job because you are building up your pension. They did not think that far ahead.” Respondent 15.

“Yes. I need to be responsible for them because mom is not working and my dad is on pension so a person cannot do much.” Respondent 18.

“My parents are divorced...” Respondent 2.

“My mom and dad were never married.” Respondent 5.

Race

Lastly respondents revealed that black tax is caused by the colour of one’s skin i.e. race. They relate how only blacks suffer from this phenomenon and their white counterparts do not understand why they pay the black tax. The issue of race also stems from the political oppression of certain racial groups in South Africa, leading to some groups being disadvantaged due to the colour of their skin

“So what I understand about black tax, it is the money that you pay as a non- white person to support your family because of the effects of apartheid.” Respondent 2.

5.5.2 What influences black tax?

The second part of the definitions states that “due to historical disadvantages that affected families, which places a duty of reciprocal care on the younger generation to support others because there are newly successful”. This definition is produced from the structure of influences of black tax which include part background (historical disadvantages) and upbringing and values (duty of reciprocal care on younger generations). The respondents highlighted that the black tax is influenced by people’s backgrounds; one respondent explicitly stated that it is due to apartheid. Furthermore, they stated that the apartheid era severely disadvantaged the current generation. Respondent two spoke about how this era prevented their parents from being able to study for the careers they wanted, and they had to settle for less due to the inequalities of the system. It is ostensible that these views support what was established in Chapter 2 about the far reaching effects of the apartheid system on black South Africans. Furthermore, it is evident that the findings indicate what the literature highlighted about how the asset and resource deficits of the apartheid era strongly influenced the nature of the black middle class in South Africa.

Values and upbringing

The respondents indicated that the act of giving their families financial, emotional and material support is based on duty, obligation and reciprocity. These family governing values were noted to influence how individuals behave and exemplify cultural embeddedness which describes a social force influencing behaviour in society. The manner in which families operate compel individuals to follow the same example set by how others provide for their families.

Duty

Respondents indicate duty compels them to assist their families, binding them to some obligation towards their families. This value can be associated with a weakness that results in individuals being powerless to their situation and resigns individuals to the fact that they must assist their families, even if this financial and material support has a negative impact on the individual. The powerlessness is linked to vulnerability, whereby individuals have no choice or control over a situation.

"...it affected me financially uhm financially and although nobody is asking me to do it but I feel like it is a sense of duty" Respondent 16.

Respondents also reflected the of the duty of care that results from black tax. Seemingly this is encouraged because it is associated with the upliftment of other people's lives, with little regard of the negative impact this act might

"Because you see once... the Black Tax thing, there is a gap that wants... and like I said when we started that you're willing and able to close or the help that you can offer to someone. If you can I will encourage any person to extend that hand to uplifting other people's lives. That's how I feel. It's a good thing to do." Respondent 9.

In light of the research question, duty plays a significant role in terms of what black tax is. The respondents indicated that duty compels them to assist their families, and binds them to some obligation towards their families. Duty is also a representation of a lack of choice that individuals have, because they are held to the standard of helping families due to the sense of duty they have.

"...it affected me financially uhm financially and although nobody is asking me to do it but I feel like it is a sense of duty." Respondent 16.

Respondents also reflected the results of the duty of care:

"Because you see once... the black tax thing, there is a gap that wants... and like I said when we started that you're willing and able to close or the help that you can offer to someone. If you can I will encourage any person to extend that hand to uplifting other people's lives. That's how I feel. It's a good thing to do." Respondent 9.

One respondent used the word 'love' to rationalise the support they provide to their families:

"Because it is not an obligation, we are not obligated to do those things we doing it out of love." Respondent 8.

This does not mean that there was an absence of emotions from the other respondents; African culture is restrictive of the use of emotions to describe a duty one has to their families.

Ubuntu

Ubuntu plays a significant role in individuals sharing their income and providing support for their families. This value compels individuals to provide support for their families, due to the community spirit that this value engenders. It is a value that resonates with many individuals.

“But somewhere it’s a good thing, I am saying it’s a good thing in a spirit of Ubuntu like I am who I am because of you. I think for me that’s where it actually comes from than any other thing. It comes from... you cannot build a family on your own but it’s a community thing. I think that’s the good part around it because then you are actually sharing like when it gets better the others are actually getting better as well.” Respondent 17.

Reciprocity

The respondents indicated that the black tax is an act of reciprocity towards their families. They indicated that the sacrifices of their parents helped them achieve their current status in life, thus it needs to be repaid. This can be linked with being indebted to the sacrifices of their parents and family members who helped them.

“...21 years supporting me and in my opinion if I can then show appreciation by returning the favour or paying for things in certain instances then I do.” Respondent 15.

“She had me in 1986 and she had to make a choice of, “am I going to support this child or am I going to study further” and she chose to support her child and educate me instead of herself.” Respondent 2.

You know, because of the the way situation was back then. They fought and they did a lot of things for us. You know my dad did a lot actually” Respondent 1.

Normative obligations and bounded solidarity

The manner in which families operates imprints in the minds of individuals; it is a “manual” of how things should be done going forward. These obligations are founded on trust and altruistic dispositions. The compel individuals to provide financial support to their family.

“The way I understand black tax it’s like, uh, the way our family operates. Like since I become successful or become financially stable, then uh, you... let’s say you have a younger brother, just to make sure that your younger brother does not bother you later in life you will spend a year or two years, making sure like... taking him to school and make sure that as soon he is independent. Then you know that you are done. So that’s basically how I saw it, the tradition at home has always been like that”. Respondent 5.

“I was raised by my grandmother, now living with my grandmother you get it’s grandmother and not you alone. It’s grandmother of you and all other grandchildren therefore you grew up knowing you have to share.” Respondent 13.

“You find that when you start working you need to go back home and start from home and do what your parents were supposed to do but because of our previous

background we couldn't. So we need to go back home basically we start building a comfortable home, maybe go back and be the bread winner, you had to raise your siblings. Yes, that's black tax, that's how I understand it. That means you put your life on hold for the sake of your family." Respondent 11.

Past background

Respondents highlighted that apartheid was an influencer of black tax. It disadvantaged their parents by denying them of opportunities which resulted in an unequal society. They described that black tax itself resulted from apartheid and ultimately disadvantaged the current generation. The injustices of the past continue to plague the current generation, and they acknowledge that it will take time for things to change for the black racial group in South Africa.

"So, when it was still apartheid, the options for them... I mean my mother could not become as doctor because... she could only be a nurse or a teacher, which she is. She had me in 1986 and she had to make a choice of, 'Am I going to support this child or am I going to study further', and she chose to support her child and educate me instead of herself." Respondent 2.

"My understanding of black tax would be the sins that you pay for the past disadvantages that your parents or grandparents, catches up with you and might catch up with your children in future generations." Respondent 3.

5.5.3 Impact of black tax

The third structural element of black tax is the impact which in the definition is represented by the statement *"resulting in a financial and emotional impact on individuals"*. The structure indicates that black tax has an emotional and financial impact on individuals.

Financial impact

The black tax was found to impact individuals because of the duty or obligations they carry to support their families. Individuals expressed a lack of choice when it comes to sharing their income, indicating that black tax affects their financial situation. However, contrasting views were also highlighted, whereby some individuals found black tax to have a positive effect because it taught them responsibility in terms of their finances. Two respondents indicated that the black tax does not affect their financial situation. These three disparate views are captured in the quotations below:

"I look for ways to assist my mother, either by being more savvy with the money that I do..." Respondent 3.

"You take your own resources and you split amongst yourself, parents and siblings. So you must be having something incoming on your side so you can share with those people because if you've got no income." Respondent 9.

"No, I'm doing that, you know out of my good heart. It's not forced, that I just do that. So, if it was affecting me I wouldn't be doing it at all." Respondent 1.

Emotional impact

In reviewing the codes associated with black tax, the theme of emotions was identified. It was indicated that the black tax affects individuals on an emotional level, both positively and negatively. Furthermore, these emotions are also linked to the rationale for providing support to their families. Positive emotions in the context of the impact of black tax on individuals were associated with optimistic views; the respondents asserted that the black tax is a worthwhile experience which brings constructive changes to their lives, thus it can be concluded that the notion of sharing and improving people's lives has a positive impact and possible positive psychological impact on individuals.

"My experience is that it makes you feel proud that you added value to your family that would be the positive part of it. So you feel proud about yourself that's one thing. You've put a smile in other people's lives, you've helped where they could not help themselves, and you've uplifted the lives of those that you've helped so those are the positives. You've earned respect for doing that, people would treat you as a responsible person. People would treat you as someone who is caring for others. People would want to learn from you." Respondent 9.

"So I was responsible at a very early age." Respondent 11.

"...it created a great bond between me and Ntokozo (younger half-sister) because she always tell the way I played a big role in her life, because her father does not maintain her." Respondent 10.

"No, I would be lying to you. I don't feel guilty at all. I don't feel guilty actually it gives me pleasure to help my family". Respondent 8.

Additionally, evidence presented by the findings under the overarching theme of emotions indicates that the black tax has some negative emotional impact on individuals. Their experience of providing support for their families was filled with negative feelings about themselves and the situation itself. They indicated emotional distress associated with the black tax. Furthermore, there were indications that the black tax also impacts family relationships, resulting in conflicts within families.

"I would say it's a bit of guilt... uhm the fact that what my mother has been through to help me get where I am and what my stepfather has done for me, which my biological father has not." Respondent 3.

"So, you know you are always having this GUILTY conscience, they you decide that you know what, let me do something at home. And whereby it's not a must that I must do it." Respondent 1.

"At the beginning it made me feel like I am a failure, I am not making them happy and then... but then I said no let me think through about me what, what it's doing to me."

Sometimes I feel sad like you say no this is enough. But still when you think to say that this is enough you say no what about my mom what about those back there.”
Respondent 18.

“Ja, because I feel that it is so unfair to any human being, so at the core of it how do I feel? I feel angry, frustrated and sad. Why? Because I feel it is unfair it is unjustified, it is wrong it is a burden and so that's how I feel. I don't wish it to anybody else.”
Respondent 6.

Included in the negative impact, black tax was found to have a negative effect on the family:

“Always all the time it keeps on destroying the family.” Respondent 18.

5.5.4 Conclusion of section

The research question set out to understand black tax and provide a definition for the phenomenon, thus from the findings black tax The findings reveal that black tax is a social obligation to provide support for family members due to historical disadvantages that affected black families, which places a duty of reciprocal care on the younger generation to support others because they are newly successful, resulting in a financial and emotional impact on individuals. Furthermore, it was found that black tax also represents a lack of choice for some respondents are the benefactors of black tax due to duty and obligations they have to their families. This represents a vulnerability brought in by black tax.

5.6 Likelihood of vulnerability

The second research question asks: “What factors of the likelihood of vulnerability are exhibited by the emerging black middle class in South Africa?”

This highlights the vulnerability of the emerging middle class, given their “emerging” status. The interviewees discussed issues that make them vulnerable or increase their likelihood of experiencing vulnerability.

The issues that increase the respondents’ likelihood of vulnerability were captured within the following themes: family situation, support structure, role, financial, emotions and social bonds, which are presented in Figure 7 below. The findings revealed that issues that increase an individual’s likelihood of experiencing vulnerability include a history of oppression. In this case, apartheid was mentioned as a contributing factor to the vulnerability of individuals. The respondents asserted that it resulted in unequal opportunities for their parents, thus disadvantaging the current generation. Poverty in the household was also raised as an issue that increases an individual’s likelihood of vulnerability.

In some cases, a lack of support from siblings and spouses was identified as increasing the likelihood of vulnerability, because without a support structure no risk sharing exists in a household. Moreover, the family bonds and values that govern them increase the

respondents' likelihood of vulnerability, because the sense of duty and obligation that exists compels individuals to provide financial support to those who are not well-off in the family. In addition, a big element in the likelihood of vulnerability of the emerging middle class is related to their finances, particularly the lack of savings and assets. Assets were identified in the literature as crucial elements that can protect individuals from vulnerability, thus having none means individuals are exposed to idiosyncratic shocks, rendering them vulnerable.

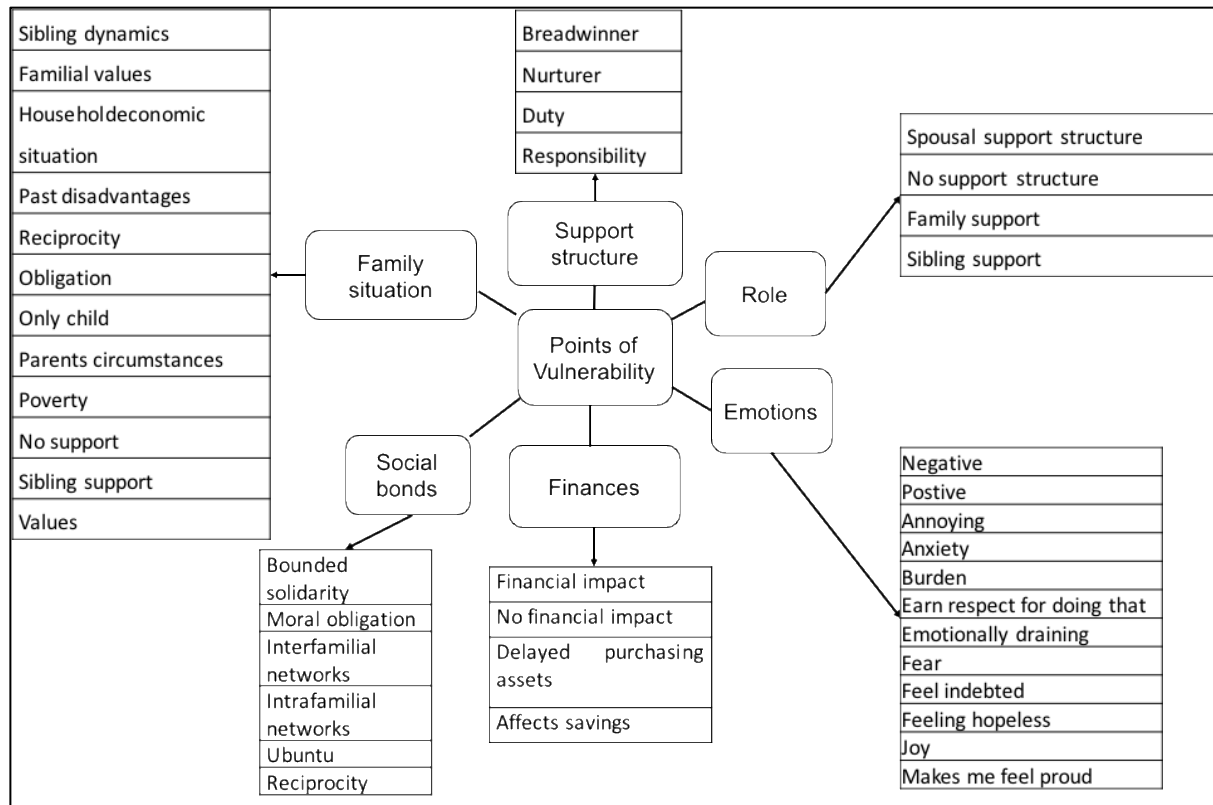


Figure 7: Likelihood of vulnerability

The themes for research question two and their associated codes are discussed below.

5.6.1 Family situation

The family situation plays a pivotal role in the likelihood of vulnerability. The family situation represents a lack of choice because respondents are born into the situation and were powerless to change it. Furthermore, obligations and their duty to respondents have to their family also represent having limited choice. Incorporated into the family situation is the role individuals play in their families and the social bonds that compel them to help. It is an element that is outside the control of individuals, i.e. their parents' situation and the state of the family home. Most respondents reflected that inherited disadvantages such as poverty in the home, their parents' situation and their backgrounds had condemned them to a life of servitude to their families, because they are prosperous in comparison. Thus the family situation adds to the

narrative of vulnerability as a cause of an individual's vulnerable state, mainly because it is outside the control of the individuals affected. The list of codes on family situation can be found in Appendix C, Table 5.

"They are not educated, uhm, or they have never gone into an industry that requires, uh you to have a degree. My mother has never finished school. They lost their jobs." Respondent 3.

"I had just completed my matric and my matric wasn't even that good because of like the poverty in the house I had to like work and look after them." Respondent 8.
"...gets passed on from generation to generation, based on the past disadvantages that your family had." Respondent 3.

Respondent three described how they were embarrassed about their family situation when compared to their peers:

"I was embarrassed [puts emphasis on the word embarrassed, I was embarrassed of my situation, I was embarrassed by what my parents do..." Respondent 3.

5.6.2 Role

Role is a theme that was also associated with the causes of vulnerability of the emerging middle class under the overarching theme of family situation. Due to their family situations, individuals assume the role of breadwinners because they are the eldest in the family or have jobs. By default, this makes them vulnerable because they have to assume the financial role of providing for their families due to the lack of choice of being the breadwinner or the eldest in the family.

"...because you are born as the first born everything automatically it falls on you." Respondent 18.

"I have a responsibility or duty to my parents." Respondent 16.

"So my younger brother is like my baby because my mom gave him to me when he was six years old.... When my mom passed away" Respondent 8.

The theme of role can also be linked to the theme of the family situation, because vulnerable individuals have unfavourable family situations, i.e. no one else in the family is employed.

"At home I am a bread winner because currently it's only me who is working." Respondent 18.

"I am a first born at home. I am the only person who is currently working at home." Respondent 10.

"Yes, I am the only one that is working." Respondent 7.

5.6.3 Social bonds

Social bonds were linked to the likelihood of vulnerability of the emerging middle class because these define the rules of engagement of the individuals and their families. Social

bonds are directly linked to the family situation. Underlying this is the value of Ubuntu, which manifests as individuals supporting their families due to the rules of Ubuntu and the bonds they share with their families, i.e. bonding capital. This increases the likelihood of vulnerability because they are obligated to financially support their families, which means little resources to invest in assets are left.

“...I am saying it’s a good thing in a spirit of Ubuntu like I am who I am because of you. I think for me that’s where it actually comes from than any other thing. It comes from... you cannot build a family on your own but it’s a community thing. I think that’s the good part around it because then you are actually sharing like when it gets better the others are actually getting better as well.” Respondent 17.

“...you take your own resources and you split amongst yourself, parents and siblings. So you must be having something incoming on your side so you can share with those people because if you’ve got no income.” Respondent 9.

5.6.4 Support structure

The support structure of the individuals is also a critical point that causes vulnerability. The likelihood of vulnerability of the emerging middle class is linked to the level of support structure they have in case of an idiosyncratic shock. Some respondents acknowledged that they have a good support structure in their spouses and families. Having a support structure has the potential ability to protect individuals from idiosyncratic shocks as they will have someone to turn to should challenges arise and reduce their likelihood to experience idiosyncratic shocks. Respondents reflected that their spouses and some family members will be available as a form of support should they encounter challenges, however some individuals indicated that they would have no support structure in hard times, thus these individuals are deemed to be most vulnerable.

Have support structure

“I would like to thank my wife. My spouse and my parents and siblings.” Respondent 9.

“Financially the only person I could turn to is my spouse. There is no one else. If I didn’t have my spouse it would be impossible, because there is nobody else.” Respondent 3.

No support structure

“Financially, I have no one.” Respondent 11.

“I am not going to lie, there will be no one. I am on my own. So which means God needs to open something. I am not going to have anyone.” Respondent 18.

One respondent also highlighted that having good relationships can help secure you in life:

“...securing life you could find yourself in good relations. Right. You may find yourself in good relations with your spouse because (Inaudible) she looks after you. If you’ve got parents look

after them because they are looking after you. Right. Not money but good relations. If you've got siblings, cultivate good relations with them because they will look after you. So it's not only financially but relations also helps..." Respondent 9.

5.6.5 Finances

Finances was a prominent theme found under the overarching theme of impact. Individuals feel that they are vulnerable to risks due to the state of their financial situations. By sharing their financial resources with their families, the respondents indicated that they are unable to save and invest as they would have if they did not have financial responsibility for their families. Furthermore, they indicated having to use some of their savings to service requests from their families. Moreover, they are not able to invest in assets such as property. The literature indicates that assets and investments are crucial for protecting individuals from vulnerability, thus not being able to invest in assets exposes individuals to idiosyncratic shocks, which increases their likelihood of vulnerability. Additionally, the respondents indicated that a loss of income would be detrimental to their and their household's livelihoods, exposing them to possible poverty-induced vulnerability.

"I don't have a property of my own, I don't even own a car." Respondent 11.

"You take your own resources and you split amongst yourself, parents and siblings. So you must be having something incoming on your side so you can share with those people because if you've got no income." Respondent 9.

"Yes, obviously saving less, that money that we give to them we would rather be saving it for our own purposes, whether it's for the future or late future or long-term future..." Respondent 6.

5.6.6 Conclusion of section

This research question set out to explore the elements that increase the likelihood of vulnerability in the emerging middle class. The evidence suggests that the likelihood of vulnerability of the emerging middle class is impacted by areas that are not within their sphere of control, such as past disadvantages (e.g. apartheid), being breadwinners at home, being the eldest child, having unsupportive siblings and spouses, being raised by a single parent, and poverty in their families. These elements represent powerlessness and a lack of choice for the respondents because they cannot alter the narrative.

The elements that are within their control include savings and investing in assets. These factors can be controlled and leveraged to prevent individuals from idiosyncratic shock-induced vulnerability, which is associated with a lack of risk sharing in households and income loss, which is in turn associated with structural constraints such as a lack of education, limited resource endowments, a lack of physical assets, and poverty-induced vulnerability.

5.7 Points of vulnerability

Research question three aimed to determine what the emerging middle class considers their points of vulnerability to be, i.e. what makes them vulnerable. The qualitative data linked to the third research question were analysed by evaluating the themes related to codes that are linked to vulnerability. The results indicate that respondents have multiple points of vulnerability, which were deduced from their responses as there was no question that directly asked about their points of vulnerability.

The themes were grouped under the overarching theme of impact. These themes are detailed below in Figure 8.

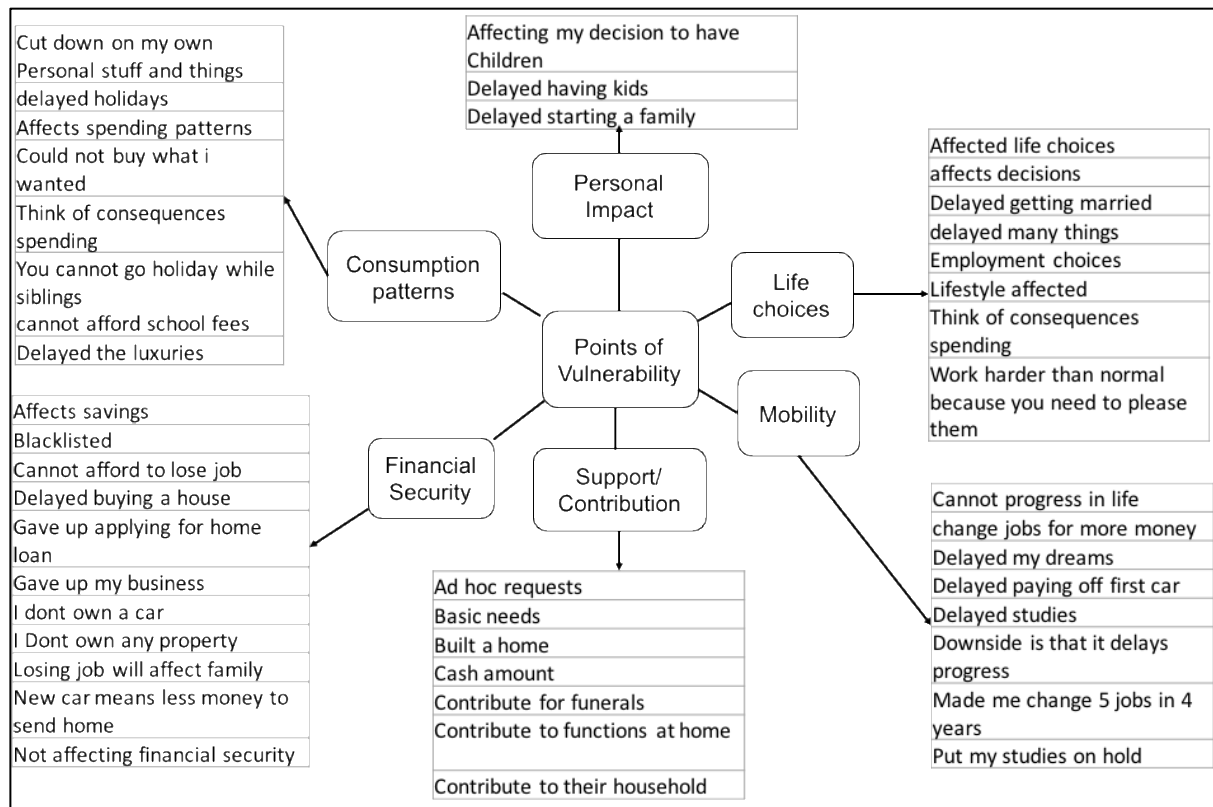


Figure 8: Points of vulnerability

The findings indicate that individuals' financial security is impacted by the support that they give to others, which in turn impacts their consumption patterns. Moreover, the results also indicated that their life choices are affected by the financial support they give to their families, thus becoming a point of vulnerability. Additionally, some respondents indicated that there has been a personal impact and an impact on their mobility as well. The impact on mobility leads individuals to have limited means to attain education, assets and power. The top elements identified, mobility, finances, consumption patterns, personal impact, life choices and support/contribution, are described in more detail below as the most pertinent points of vulnerability of the emerging middle class.

5.7.1 Finances

Having no financial security was highlighted as a point of vulnerability for the emerging middle class. The inability to save, have secure employment, invest in assets and make financial investments were identified by the respondents as factors that make them vulnerable.

Respondent 13 noted that financial security is one of the top priorities in their life, which was a sentiment that was shared by all the other respondents. They highlighted that having no financial security renders them exposed to financial vulnerability. Furthermore, respondent one highlighted that having the right financial products can help them ensure financial security, thus protecting them from potential financial vulnerability. By contrast, another respondent highlighted that being secure and invulnerable does not necessarily mean only having financial security, as it can include having good relationships with others because they can also “look after you”. This insight can be linked to the themes of support structure and relationships, which highlight the importance of maintaining good relationships and support structures to protect individuals from vulnerability.

5.7.2 Consumption patterns

The issue of consumption patterns as a point of vulnerability for the emerging middle class came across in all 18 interviews. The respondents highlighted that their consumption patterns are impacted by their sharing of income with their families, leading to an overall impact on affordability, being able to save, acquisition of assets and investing. Respondent two pointed out that they feel guilt when they have to spend money on themselves, whereas their families are going without. The consumption patterns of individuals make them vulnerable because they are unable to spend their income on things that can may protect themselves from idiosyncratic shocks, such as assets and savings. Furthermore, consumer vulnerability is associated with individuals not being able to accomplish their consumption goals because they are powerless or out of control, thus the impact of social obligations on the consumption patterns of the emerging middle class makes them vulnerable.

5.7.3 Support or contribution

Respondents give financial support to their kin by means of monthly or ad-hoc contributions to ensure they are taken care of. This support was raised as a point of vulnerability for the emerging middle class due to the financial implications associated with it. Sharing their income means that individuals are left with limited financial resources to spend on items that are noted in the literature as crucial elements to protect them from idiosyncratic shocks, such as assets.

Similar to consumption patterns above, individuals first spend their income to ensure their families are taken care of before they can spend on themselves. The respondents indicated that they provide mainly for basic needs such as groceries, municipal rates, lights, water and medical aid, which are crucial items for their families. Some respondents spend their income on items they consider luxuries, such as paying a deposit for a car for a parent, sending parents on luxury holidays, or paying off bonds.

5.7.4 Personal impact

Personal impact was highlighted as a point of vulnerability by two respondents, who noted that their choices to start families and have children was impacted by the black tax. This makes them vulnerable because their lives are impacted by external elements such as the support they give to their families. Respondent nine highlighted that they are vulnerable because they had delayed getting married and starting a family. This is an important insight as it indicates the far reaching effects of social obligations on individuals. The notion of power as a dynamic makes consumers vulnerable and is able to aggravate their felt deprivation, which is represented by physical, social and experiential disadvantages. Not having power over their decision to have families is thus a point of vulnerability for the emerging middle class.

5.7.5 Mobility

The respondents highlighted that their progress is delayed by the social obligations they feel to their families. Mobility is associated with the movement from one social class to another, which is indicated by the attainment of power, education, assets and income. It is apparent from the findings that the mobility of the emerging middle class is impacted by their social obligations. Respondents 9 and 11 highlighted that the duty to provide for their family has delayed progress in their lives, which suggests that their mobility within this social class has been impacted. The respondents revealed that the acquisition of property, further education and investing is difficult given their circumstances, thus restricting their mobility. This discussion indicates that mobility is a point of vulnerability for the emerging middle class because it is restricted or hindered by their obligations. The restrictions in this context, particularly the acquisition of assets and education, deprive individuals of the tangible and intangible assets that offer protection from idiosyncratic vulnerabilities.

5.7.6 Life choices

The life choices that respondents make are associated with having to put their lives on hold for the sake of fulfilling their obligations to their families. Furthermore, the respondents revealed that they face restrictions that may expose them to future vulnerability. Respondent

18 indicated that they had put their studies on hold because the money was needed elsewhere. Education is an intangible asset that can protect individuals from vulnerability, thus not possessing it might leave individuals exposed to vulnerability in the future. This suggests that life choices are a point of vulnerability of the emerging middle class. Similar to consumption patterns, life choices indicate the reduced capacity of individuals to act in their own interest because they are powerless or not in control of their situation, thus making them vulnerable.

5.7.7 Conclusion of section

Research question three sought to determine the points of vulnerability of the emerging middle class. The analysis of the data indicates that multiple elements are points of vulnerability for the emerging middle class, such as powerlessness over a consumption situation and an inability to progress in life and attain education, power and assets. Furthermore, evidence suggests that not having power over certain life choices and decisions renders this class vulnerable. Moreover, the impact on their financial security associated with the support they give to their families exposes them to risks of experiencing poverty-induced vulnerability or idiosyncratic vulnerability.

5.8 How does black tax affect the benefactor?

Research question four sought to determine how black tax affects the benefactor or the provider of support in the context of the South African emerging middle class vulnerable. The interviewees were asked how this phenomenon has affected their lives, in an attempt to establish a link between black tax and impact. The question led to some insights that correlated the impact of black tax to vulnerability. Vulnerability encompasses the threat to income, consumer powerlessness and asset deficits, and is related to the risk of suffering idiosyncratic shocks. The codes that emerged from the data revealed that the black tax does have an impact on the emerging middle class.

5.8.1 Black tax disrupts finances

Black tax disrupts the finances of the emerging middle class and impacts their acquisitions, which according to research question two increases the likelihood of vulnerability to idiosyncratic shocks. Thus it is noted that black tax does have an impact on the vulnerability of the emerging middle class. The respondents noted that they also use their savings to assist their families, which they know is not good practice. Some are struggling to save and one respondent gave up their business in order to assist family members.

“That means I had to, the savings that I had was to renovate my mum's house...”
Respondent 4.

“Yes. Sometimes I can feel like if ever maybe there is no children at home only maybe my child, maybe I could save more because if every maybe the more you earn the more... the less the problem is the more you earn.” Respondent 7.

“I remember I started a business with a friend, a construction company. We started on a very high note but because tendering is not consistent but if you're persistent and you don't give up at the end it was going to pay off. But because of those challenges I had to go back and look for a job because I started tendering when I was not working. But because there was no consistent salary coming in and the situation at home needed me to help. But I had to go back and look for a job. But when I look back... because tendering was slow also I had to go back...” Respondent 11.

5.8.2 Black tax impacts relationships

Relationships are important in providing the important informal institutions that the emerging middle class depends on. Informal institutions rely on expectations of reciprocity and they provide access to resources. It is posited that relationships make the emerging middle class vulnerable because they can make them susceptible to financial loss resulting from providing resources, as well as cause marital and family conflict, thus impacting the critical support structure that is required to protect individuals from the effects of idiosyncratic shocks. The relationships of the individuals and their families are impacted by the black tax, which in turn has a direct influence on their support structure. Support structure was established in research question two as one of the elements that increases the likelihood of vulnerability of individuals. The impact of the relationships ranged from positive to negative and neutral.

Spouse relationship negatively affected

Below are the views of the individuals whose spousal relationships were impacted by the black tax. These are posited to increase the vulnerability of the emerging middle class.

“...it has an impact but I don't want to dwell on the negative energy. Look sometimes everything that involves money bring issues big time”. Respondent 12.

“Ja, in the beginning of our marriage it used to cause conflict.” Respondent 6.

Feelings of conflict and acts of dishonesty have impacted some spousal relationships. Some reflected that their spouses at first did not understand why the respondents were providing support to their families, however over time this was remedied.

“Uhm the things is I think at first my husband didn't understand because he, he doesn't come from the same situation yes...Uhm so at first he didn't understand this but after so we married for five years now.” Respondent 16.

Family relationships

Family relationships are also affected by the black tax, with most respondents expressing both positive and negative sentiments, while a few indicated that it has had no impact on their family relationships. The negative sentiments were related to the conflict and tension that the black tax causes, which leads to distance between family members. This results in a threat to the support structure that is required in times of idiosyncratic shocks. Other respondents felt like their families are entitled to their money and assets, which is a negative aspect that is posited to make this group vulnerable, i.e. they are more susceptible to financial loss because they have to provide financial resources to their family.

"I feel like they are selfish." Respondent 11.

"At that time it was affected because there was a bit of tension and a bit of a distance." Respondent 11.

"Sometimes I'm ok with it sometimes it does cause uhm conflict." Respondent 6.

The experience of black tax can be perceived as being unpleasant as they expressed that they do not want their children to go through the same thing, this is captured in the theme generational impact. In the context of research question four, the results indicate that the black tax has had such a negative impact on the respondents that they do not want their children to experience the same thing. It can thus be said that the black tax is a point of vulnerability that respondents do not want their children to suffer from.

"No. Hell no. He is not going to have that. It's not going to happen. It's painful you know, it's really painful." Respondent 11.

Yet one respondent mentioned that the black tax also teaches important principles, and it may benefit their children if they learnt that:

"It's a yes and no. the yes part would be the principle of learning to provide for yourself and your family from an early age. Only because it helps you in your career to appreciate the money that you get. So not necessarily to give me money or to work for me but to kind of pretend that you know what anything can happen at any stage, make sure you're a savvy with your money, make sure you... let your money work for you, you don't work for your money. But I would never want my children to support me the way I have to support my family." Respondent 3.

One interviewee indicated a desire for their children to be independent and have more capacity to act in their best interests:

"Because I would want my children to make better decisions than I. Also be financially independent." Respondent 17.

5.8.3 Black tax affects the emotions of the benefactor

Many emotions, both positive and negative, were associated with the black tax. Respondents expressed multiple emotions that could be linked to the success they achieved in relative to their families. These findings were derived from the research question which asked the respondents how black tax makes them feel. The emotional impact of black tax was predominantly negative with respondents conflicted between their new social status and having to support their families. They indicated that this support is a burden to them, however they are conflicted when trying to reconcile their feelings towards their situation. Guilt and indebtedness had the most mentions with 22 and 20 respectively, indicating the internal conflict individuals feel about their situation. The psychological distress related to black tax as noted from the respondent's responses.

The emergent themes from the codes associated with research question four are summarised indicated in Figure 9 below.

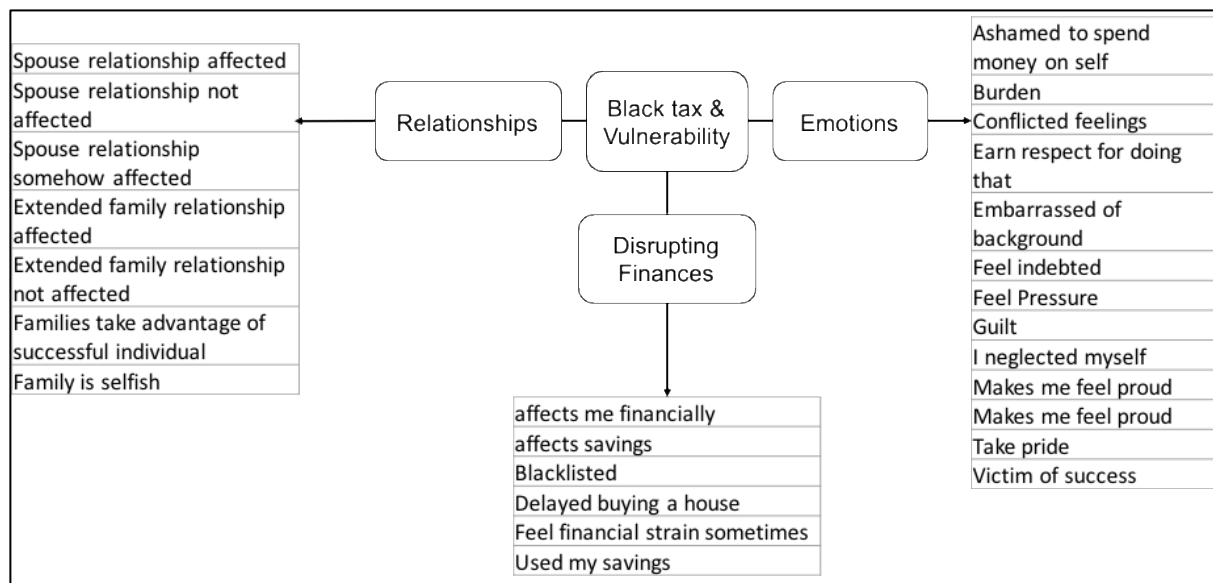


Figure 9: Effect of black tax

5.9 Reflection on themes not addressed per question

5.9.1 Generational impact

In order to explore the feelings associated with black tax further, respondents had to answer if they would like their children to experience black tax for themselves. The respondents proved revealing, with all 18 respondents answering in the negative. Although respondents justified their actions as obligations, duty and reciprocity, they indicate that their children must not feel obligated or dutiful to them. Which may indicate that even though they feel a sense of duty or obligation by Ubuntu, they did not want to pay the black tax. Thus they do not want their children to pay this black tax. This insight revealed that deep in the minds of individual's

black tax is a burden, even though some respondents did not believe so, because if it was a positive experience, they would not hesitate to say that their children can also share the experience. The following quotation summarises the feelings of the respondents.

“I would never want my children to support me the way I have to support my family”
Respondent 3.

5.10 Key findings per research question

The key findings for each research question are listed below.

Research question 1:

Research question lead to the finding that black tax is a social obligation to provide support for family members due to historical disadvantages that affected families, which places a duty of reciprocal care on the younger generation to support others because they are newly successful. Consequently, resulting in a financial and emotional impact on individuals.

Research question 2:

The likelihood of vulnerability of the emerging middle class was found to be caused by multiple elements in an individual’s life, including a lack of support structure, the family situation of an individual which is shaped by their past background, an individual’s upbringing, and their values. Moreover, having no financial security was noted to increase the likelihood of vulnerability.

Research question 3:

This research question highlighted that the following aspects make the emerging middle class vulnerable i.e. their points of weakness as an emerging middle class. They include **mobility, life choices, consumption patterns and more importantly their financial security**. These have a direct impact on the external and internal elements of an individual’s life and highlighted the risks facing the emerging middle class financially, socially and emotionally.

Research question 4:

Black tax was found to have an impact on the relationship of individuals and their kin and their finances. Their offering support to their family members affects spousal relationships, which lead them to lose an important support structure in the event of suffering from idiosyncratic shocks. The negative impact on finances includes reduced savings and asset acquisition abilities. Furthermore, black tax was found to have an emotional impact on respondents.

CHAPTER 6: DISCUSSION OF RESULTS

This chapter presents a detailed discussion of the results presented in Chapter 5. The results are discussed in relation to each research question and provide insights to black tax and the vulnerability of the emerging middle class. By comparing and contrasting the results with the existing literature, this chapter aims to also contribute bring new insights.

Continuing with the structure followed in Chapter 5, the discussion will be laid out according to the research questions outlined in Chapter 3.

6.1 What is black tax?

This research question intended to produce a definition the phenomenon of black tax and understand the components that shape it. The definition will be discussed below, followed by sections that detail the components related to the understanding of black tax that were uncovered by the research.

The findings in Chapter 5 led to the synthesis of the definition of black tax as: It was thus defined as *“a social obligation to provide support for family members due to historical disadvantages that affected black families, which places a duty of reciprocal care on the younger generation to support others because they are newly successful, resulting in a financial and emotional impact on individuals”*. It stems from strong bonding networks (Stanley et al., 2012) that compel individuals to assist family members. This speaks to Prandini (2014) who detailed how familial networks assisted Italian families and Chantarat and Barrett (2012) who noted the significance of social networks in facilitating the movement of some poor households from poverty.

Each component that was uncovered as associated with black tax is discussed below. Each of these elements provided the foundation that enable the synthesis of the definition of black tax.

6.1.1 Black tax and family obligations

The findings in Chapter 5 indicate that respondents pay black tax because of the obligations they feel towards their families. This obligation is a moral one, which adds to Portes (1998) who described moral obligations bound in family networks. One respondent highlighted this by saying: *“Those of us who have made it are expected to make some contribution; some help of some sort.”* Respondents indicated that there is tacit expectation between themselves and their families, which adds new insights to the literature of obligations associated with family

support by Göransson (2013b), and Falco and Bulte (2011) who likened family obligations to a family tax by describing it as an obligation for individuals to support their immediate or extended families. These findings indicate that expectations do not necessarily have to be spoken to be understood. Cultural obligations noted by Migheli (2017) translate into financial sponsorship systems with family networks, and the evidence presented in the findings supports this view by indicating that the financial support provided by individuals to their families is based on cultural obligations i.e. Ubuntu.

The study also found the word 'tax' has negative implications attached to it. This is a new insight. Tax is associated with a mandatory or imposed levy, whereby choice is not an option. Three respondents rejected the use of the word tax to describe the support that they give to their families however, because according to them tax is associated with a lack of choice. *"Mention tax who wants to pay tax in general. Now when you add black tax you are already saying it is forced on us a black people"*. Thus not all respondents agreed with the obligatory nature, asserting that it was a matter of choice and not obligation which is different to Falco and Bulte (2011) who compared obligatory contributions to family tax. The matter of choice is further evidenced by the siblings of respondents who choose not to support their families, however the reasons behind this were not explored in this research. What was evident is that the lack of sibling support increased the burden on respondents.

6.1.2 Black tax and Ubuntu

Magubane (2017) found that blacks growing up in environments that are influenced by internal and external factors such as inequality, high unemployment levels and broken families have a strong sense of family bonds and Ubuntu, thus individuals continue with the family traditions of fulfilling obligations and responsibilities of their families. Ubuntu compels individual to be caring, share resources, have compassion, be kind and be generous (Letseka, 2012). This is supported by the findings in Chapter 5, which indicate that individuals support their families because they have a duty and obligation to fulfil.

The study corroborated the findings by Magubane (2017) and Migheli (2017) by indicating that Ubuntu and culture engender financial sponsorships in family networks. The individuals asserted that they assist their families in accordance with the principles of Ubuntu, which are personified by deeds that include kindness, compassion towards others, sharing, caring for others and sacrifice (Letseka, 2013).

Ubuntu is prevalent in rural communities bound by notions of a shared fate (West, 2014), however evidence in Chapter 5 challenges this notion by demonstrating that is not only rooted

in rural communities, but also in urban communities because all the respondents have achieved upward mobility and reside in urban areas, with some respondents being born in these urban areas.

Letseka (2013) viewed Ubuntu as a part of African humanism embedded in the social structure, which is supported by the evidence presented in Chapter 5, whereby the individuals indicated that Ubuntu is a deep rooted principle that obliges them to support their families. Moreover, Ubuntu is noted as a socio-cultural institution, whereby members of the group share resources and provide support for each other, demonstrating care and compassion (Zoogah & Peng, 2015). Evidence supports this assertion through the demonstration of the duty of care that compels the respondents to support their family members.

The findings also revealed that black tax is an unspoken expectation that families have of individuals because of the values of Ubuntu. This unspoken expectation is related to an acquisition of resources by family members from the black tax benefactor. These findings add to Laud et al. (2015) who describes cultural embeddedness as a mechanism of behaviour for both individuals and firms, by merging shared norms, values and rules to streamline patterns of exchange for the achievement of shared objectives, of which Ubuntu would be an example. Furthermore, cultural embeddedness was found to enrich resource acquisition and the creation of value (Laud et al., 2015). However, a counter argument is that the role of black tax leads to the depletion of resources for the benefactors of black tax, thus challenging the assertions of Laud et al. (2015) that blanket embeddedness as a source of resource access for individuals. The finding indicate that the advantage of resource acquisition is enjoyed by the beneficiaries of black tax and not the benefactors. In reality the resources of the benefactors are being depleted, leading to a lack of resources and thus vulnerability of the individuals (Blocker et al., 2013).

6.1.3 Black tax and race

Respondents attributed race as a cause for black tax. The findings demonstrate that even though respondents have achieved financial and social progress, past oppression still affects them. The findings supports the literature that links class and colour in South Africa (Adato et al., 2006) and literature from the USA, which demonstrates that black individuals are disadvantaged by history, mainly due to the colour of their skin (Hunter & Robinson, 2016).

Linking race to historical disadvantages, it is apparent from the findings that the pre-democracy era deprived certain races of equal opportunities. Some respondents felt strongly

that apartheid is the cause of their black tax, captured by this quote: *“So what I understand about black tax, it is the money that you pay as a non- white person to support your family because of the effects of apartheid.”* This supports the view of Burger, Louw, et al. (2015) who posited that the apartheid era influenced the current state of the emerging middle class in South Africa, who are defined by asset deficits, poor education and few working opportunities and also provide support to their immediate and extended families.

The findings also challenge literature by demonstrating that burdens of the past are not necessarily left in the past, but are carried by generations currently: *“understand it is based on our background as black people because we were disadvantaged before, those of us who have made it are now carrying the burden of the legacy, plainly speaking, because of apartheid.”* They demonstrate that black tax compels individuals to assist family members who were affected by apartheid to get ahead and survive, burdening the current generations with problems that were not created by them. A question posed would be *“why do the respondents carry the burden?”*, as discussed in the section above, they feel obligated to reciprocate to their families.

Associated with historical disadvantages is the support structure that exists in the African narrative. Due to the history of colonialism on the continent, informal institutions such as informal economic institutions and social cultural informal institutions are leveraged for support between individuals, and rely on norms of reciprocity (Zoogah & Peng, 2015). The findings on black tax add to the literature by demonstrating that black tax is an informal support system operating through the principle of reciprocity and compensates for the lack of formal institutions and support structures for people in South Africa.

6.1.4 Black tax as social capital

The theory of social capital laid the foundation for this research. Following the evidence presented in Chapter 5, black tax is positioned as social capital that is leveraged by people to gain advantage, and is inherent in the networks that exist between individuals and their families. Family relationships as a source of social capital have featured prominently in the literature (Falco & Bulte, 2011; Magubane, 2017; Portes, 1998; Prandini, 2014; Rooks et al., 2016). This study’s findings indicate that the respondents carry the responsibility for providing support for their immediate and extended families, and are viewed as an indispensable source of advantage for their family members or a safety net for those members of the family who are less able or unlucky. They carry this burden because they are the breadwinners in their

families; they are viewed as the ones who have “made it” or who earn a better living than other family members.

The black tax would be obsolete without the linkages between kin, thus satisfying the first and fundamental part of the definition of social capital which is the network ties, defined by the relationships or social bonds between individuals (Coleman, 1988; Davern, 2006). Evidence presented indicates that the black tax is an obligation that individuals have to their families. This supports one form of social capital which is defined by obligations and expectations (Coleman, 1988; Portes, 1998). The respondents indicated that they have an obligation and duty to provide support for their families. Furthermore, they noted that there is an expectation for them to assist their families because they are in a better economic situation than the rest: *“The thing is people that brought you up and then when you start working they expect you to give back to them.”* The expectation of reciprocity between family members is demonstrated by the findings, supporting the assertion of Portes (1998) and Rooks et al. (2016), who indicated that family ties are forms of social capital based on the principles of reciprocity and trust that one will reciprocate.

Findings in Chapter 5 indicate that respondent’s resources, i.e. time, money and emotions, are accessed by their families in order to “get by”, thus supporting the literature by Lin (1999) which indicates that social capital includes the resources that are accessed through the networks between actors. The findings on black tax indicating that individuals support their families by offering financial support, their time and emotional support add to literature on social capital by positioning black tax as both a tangible and intangible asset that is used to improve the lives of those who have access to it.

The social capital narrative also deals with the inequality of social capital caused by differential access, which inherently advantages or disadvantages people (Lin, 1999), i.e. higher levels of social capital have been found in upper levels of society (Pichler & Wallace, 2009). Furthermore, this inequality leads to less opportunities for certain social groups to mobilise better social resources (Lin, 1999). This is illustrated by the South African narrative, where high levels of inequality magnify the differences between social classes. The black racial group suffers from disadvantages of their past, leading to inequalities in their access to social capital (Burger, Steenekamp, et al., 2015). Evidence presented in Chapter 5 adds to literature by indicating that inequalities resulting from past disadvantages for one racial group has led to differential access to social capital in South Africa, thus resulting in individuals of the new middle class, who are wealthier, becoming the “higher levels of social capital” in their networks.

However, the findings also challenge the literature by indicating that this social capital is also a burden on the providers of these resources.

6.1.5 Social bonds

Social bonds indicate the rules of engagement of family members; this was deduced when the respondents were asked to elaborate on their family dynamics and the reasons why they provide support to their families. Their answers indicate that strong family ties exist, which compel them to assist others who are in need. Some respondents indicated that extended family members have also played a role in their lives, thus they have to reciprocate in their time of need, while some indicated that helping each other is the way their family operates. These findings corroborate those of Laud et al. (2015) who found that relationships between people are mechanisms for resource integration and acquisition.

Contrastingly, these social bonds were found to be detrimental to individuals because they obligate them to assist family members to their own economic disadvantage. The results add to the narrative presented by Falco and Bulte (2011) who indicated that compulsory sharing related to kin relations may be detrimental to the savings of individuals, by indicating that social bonds are both financially and emotionally damaging to individuals. Falco and Bulte (2011) proceed to pose a question asking “if sharing is detrimental why does it persist?” This was not revealed as it was outside the scope of their paper. This research endeavours to answer their question. The findings indicated that strong sense of Ubuntu, related to the values of reciprocity, duty and obligation compelled respondents to continue assisting their families, even though it was detrimental to their financial wellbeing, thus bringing closure to the question posed by Falco and Bulte (2011).

The issue of sharing resources also places a financial strain on the respondents, who are unable to save and are thus exposed to risks to their household welfare. Notwithstanding this, social bonds can be viewed as resources that can help protect individuals from vulnerability, because the bonds that exist between family members mean that one would not stand by and watch while another suffers. This was captured by one respondent, who mentioned that: “*You need to help others and you cannot be prosperous while your family suffers.*” These findings add to those of Chantarat and Barrett (2012), who found that network links between family members can assist the poor from escaping from poverty. However, the findings also challenges this notion by indicating that social network capital depletes resources of individuals, thus making them resource deficient and increase their likelihood of vulnerability (Blocker et al., 2013).

Contrastingly, the findings also add to literature by indicating that social bonds can help reduce the effects of idiosyncratic vulnerability of individuals i.e. the benefactors of black tax, due to the risk sharing that exists between families that have strong family ties and values.

6.1.6 Conclusion

This study introduced insights to the literature by breaking down black tax in terms of its underlying structure, which details the causes, its impact on individuals, and the factors that influence this phenomenon. Following the discussion above, black tax is indicated form of social capital that is inherent in the social structures of the black racial group. Black tax is thus defined as *“a social obligation to provide support for family members due to historical disadvantages that affected black families, which places a duty of reciprocal care on the younger generation to support others because they are newly successful, resulting in a financial and emotional impact on individuals”*.

6.2 What factors of the likelihood of vulnerability are exhibited by the emerging black middle class in South Africa?

The second research question sought to identify what factors of the likelihood of vulnerability are exhibited by the emerging black middle class in South Africa, given their emerging status, which is associated with exclusion and deprivation due to their social class (Blocker et al., 2013). Furthermore, the emerging market literature indicates that emerging market consumers face challenges that are unique to the emerging markets.

Blocker et al. (2013) positioned vulnerability in terms of the lived experience of the poor, associating it with the notions of felt deprivation and power. Power has been found to exist at the micro-level, impacting more particularly the poor members of society. They experience consumer vulnerability brought on by exclusion due to their social class and construct meanings of deprivation based on the power relations at play (Blocker et al., 2013). Furthermore, the authors posited that poverty impacts the way in which a consumer relates to the market. This consumer is faced with market place imbalances which result in their vulnerability. Blocker et al (2013) was speaking about the poor, however consumer vulnerability in terms of power and felt derivation can be extended to the emerging middle class because of their history of deprivation and inequality. The findings presented in the next section expand on the notions of vulnerability of Blocker et al. (2013) by outlining other factors that cause the vulnerability of the emerging middle class.

6.2.1 Likelihood of vulnerability

Vulnerability is associated with a state whereby a consumer is unable to accomplish their consumption goals because of being powerless or not in control (Blocker et al., 2013). Power is defined by the lack of resources or lack of choice, furthermore vulnerability was explicitly linked with the risk of having fewer resources by Ligon and Schechter (2003). The findings reveal that they suffer from a lack of resources due to their circumstances and thus were found to be vulnerable. This finding adds into the findings of Blocker et al. (2013) by demonstrating that the new middle class are also vulnerable like the poor consumer due to the lack of resources. Respondents highlighted that they cannot purchase assets due to the obligations to provide financial and material support to their families, thus creating a lack of resources and ultimately makes them vulnerable.

The findings also demonstrated that individuals are exposed to the risk of vulnerability due to their sharing of resources with others, leading them to have fewer resources at their disposal to protect them against idiosyncratic shocks and threatening their household welfare (Ligon & Schechter, 2003).

Resource deficits impact the emerging middle class consumer because they are a source of support for the bottom of the pyramid family members. Evidence presented in Chapter 5 highlighted how historical resource deficits impact emerging middle class individuals. The respondents highlighted that they have to provide and share their resources with their family members who have no or little formal support, demonstrated by the following quote from respondent nine: *“You take your own resources and you split amongst yourself, parents and siblings.”* Consequently, this impacts their finances and constrains their consumption (Sheth, 2011). These findings add to those of Blocker et al. (2013) similar to the section above, by indicating that resources deficits and lack of choices makes this consumer vulnerable because they are powerless over their situation.

The findings in Chapter 5 demonstrate that the respondents share their income or resources with their families due to social obligations or a duty of reciprocation. They acknowledge the resource deficits of their family members, hence the rationale to provide support. They further indicated that sharing resources puts a financial strain on them and affects their consumption patterns, i.e. they cannot spend their income as they want and have to delay or give up spending money. This add and demonstrates a lack of choice and control over a consumption situation, thus making them vulnerable.

These findings extend the literature on vulnerability by explicitly linking vulnerability due to resource deficits and lack of choice to the emerging middle class. They demonstrate that this social class is as vulnerable as the poor in consumption situations because they also suffer from a lack of resources and choice (Blocker et al., 2013). Consumption in emerging markets tends to be constrained and impacts the bottom of the pyramid consumer (Sheth, 2011), however these consumers can attain upward mobility and become middle of the pyramid consumers. Notwithstanding this, asset deficits can persist among middle of the pyramid consumers because of their history of asset deficits (Sheth, 2011). This was supported by the respondents who have achieved mobility, but who are still plagued by asset deficits in their current social class. The respondents indicated that they have delayed making acquisitions or do not have tangible assets, e.g. houses, cars, savings and investments, because they share their incomes with family members. Some respondents regret the fact that they could have more than one asset, but due to their circumstances they do not.

The literature indicates that asset ownership is crucial in protecting individuals from idiosyncratic shocks (Blocker et al., 2013; Ligon & Schechter, 2003; Torche & Lopez-Calva, 2013), therefore their lack of assets renders the respondents interviewed for this research vulnerable. This supports the argument that members of the emerging middle class are vulnerable because they do not have the assets to protect themselves against idiosyncratic shocks.

6.2.2 Income

The results from the research study revealed finances to be a factor that impacts the likelihood of vulnerability in the emerging middle class. Income engenders the ability to choose and purchase resources, thus affecting consumer power in interactions with sellers (Blocker et al., 2013). The respondents described that they share their income with family members who are less well-off than them, leaving them with limited disposable income to spend on consumption. The limited income thus leaves consumers with limited choice over consumption situation and purchasing of resources. These findings challenge Blocker et al. (2013) demonstrates that not only poor consumers but also the emerging middle class are also affected by income levels and thus makes them vulnerable due to the the powerless associated with their consumption situation.

Furthermore, sharing of income with family members demonstrates a negative inheritance in individuals who have achieved mobility, but need to assist their households to escape from poverty (Chantarat & Barrett, 2012). Additionally, the results indicated that this emerging

middle class suffers from resource deficits, which is a defining factor of the bottom of the pyramid, as discussed above (Sheth, 2011). Lopez-Calva and Ortiz-Juarez (2011) defined the emerging middle class by the amount of income they have that protects them from suffering vulnerability. It is thus argued from the evidence presented in Chapter 5 that sharing an income with family members leaves the emerging middle class with limited income to protect them from idiosyncratic shocks, thus making them vulnerable.

The interviewees detailed how spending money, saving and investing is secondary to their family responsibilities, and highlighted that this poses a risk to their welfare. This places them in a precarious position, as the loss of such income, according to Lopez-Calva and Ortiz-Juarez (2011), increases the vulnerability of a household. Having said this, the respondents did not highlight that they feared losing their jobs, which indicated that they felt secure in their employment, thus supporting the argument that educated individuals have a low probability of losing their jobs and can maintain a stable income (Fuenzalida & Ruiz-Tagle, 2011).

6.2.3 Support structure

The research findings indicate that having no support structure increases the likelihood of vulnerability of the emerging middle class. Support structure is directly linked to vulnerability, as it represents an intangible asset that can be used to protect individuals when they suffer from idiosyncratic shocks, i.e. a support structure indicates a level of risk sharing within a household (Jalan & Ravallion, 1999). The respondents who indicated that they would have no support structure in the event of income shocks are the most vulnerable, and also have an increased likelihood of their households being exposed to poverty-induced vulnerability. The findings regarding support structures confirm the literature, and indicate that individuals are cognisant of the importance of sharing risks within their support structure in times of difficulty.

Secondly, the results presented in Chapter 5 indicate that the respondents recognise the value of having a support structure in tough times. This finding is related to Zoogah and Peng's (2015) research, which indicated the value of informal support institutions in emerging markets. In this study, the respondents were asked who would be there for them should they lose their jobs. With one exception, all of the married respondents mentioned that their partners would be a source of support, whereas most of the respondents who were single mentioned their families as their support structure. Some respondents have no support structure to support them through economic hardships. The findings thus support the assertion that network members can be an asset by providing resources and acting as source of advantage for others (Portes, 1998; Rooks et al., 2016).

The respondents who indicated that they have no support are posited to be the ones who are at most risk of idiosyncratic vulnerability, because no one will help them carry the burden. Moreover, their household welfare is at a higher risk of suffering poverty-induced vulnerability, as no risk sharing exists between them.

6.2.4 Family situation

The literature highlighted bonding social capital as assisting family members, friends and the community to manage on a daily basis, whereas bridging networks provide access to resources and opportunities to get ahead (Stanley et al., 2012). It is posited that the black tax helps people get by and get ahead, giving them access to resources and opportunities that they otherwise would not have. From the findings it is posited that even though these networks are beneficial to those who have them, they are detrimental to those who are the source of advantage. The respondents highlighted that these family ties affect their savings and investments because they have to share their resources, which supports the findings of Falco and Bulte (2011), who noted that the compulsory sharing of resources can be correlated to reduced savings. Consequently, this leads to an increased likelihood of vulnerability because individuals are unable to save money or invest in products that will protect them from shocks such as income loss.

The analysis of the qualitative responses revealed that the family situation plays a role in the likelihood of vulnerability of the emerging middle class. Chantarat and Barrett (2012) demonstrated that escaping from asset poverty depends not only on a household's initial endowments, but also the opportunity to establish social networks that facilitate an escape from poverty. This highlights the importance of good relationships in the facilitation of a household's escape from poverty. All the respondents interviewed, except one, make monthly financial contributions to their families to help them get by on a daily basis. A key finding was that their vulnerability is a result of the inherited disadvantage that they carry due to the family structure and dynamics, such as having uneducated parents, being raised by single parents, parents employed in low-income jobs, being breadwinners, having siblings that do not work etc. This represents a negative inheritance, which affects individuals and impedes their progress or economic mobility (Chantarat & Barrett, 2012). Historically, social and political structures in emerging markets have placed members of certain racial groups in a disadvantaged position concerning access to resources and assets. Furthermore, these disadvantages are a function of the power dynamics that exist in society and lead to an unequal exposure to risk (Bankoff & Hillhorst, 2013). Evidence of this is shown by the findings, which indicate that the parents of the respondents were disadvantaged by apartheid, which

continues to impact their families to this day, indicating an inherited disadvantage. One respondent was quoted as saying that this disadvantage is passed on from generation to generation. This view supports that of Chantarat and Barrett (2012), who demonstrated the generational impact of poverty traps.

In addition, some respondents indicated that they have siblings who are employed, yet do not share the responsibility of providing for their families, which indicates that some individuals elect not to pay the black tax. This is posited to threaten the informal institutions that help emerging market consumers thrive in the absence of formal institutions (Zoogah & Peng, 2015). This situation might be due to the role the respondents play in the family. Most of the respondents were the eldest in their families, therefore they carry what they referred to as the “first born responsibility”, while others indicated that they are the breadwinners or have jobs that are better paying, thus the assumption is that they are able to share their income with the rest of the family members. Furthermore, the respondents spoke about how Ubuntu and the values that they were raised with obligates them to support their families.

These findings support the conclusion made by Magubane (2017), who highlighted that deep-rooted values such as Ubuntu compel individuals to fulfil obligations and responsibilities towards their families, despite their modernity. Portes (1998) also described the strong bonds that obligate individuals to assist their extended families and community members. Furthermore, Rooks et al. (2016) supported the assertion that normative commitments compel individuals to provide support, even when there is uncertainty that they will be repaid.

6.2.5. Conclusion

The most pertinent elements of the likelihood of vulnerability of the emerging middle class have been demonstrated by the findings and supported by the literature. Evidence indicates that vulnerability of the emerging middle class is related to power associated with resource deficits, and a lack of choice. Furthermore, these findings also demonstrated that it is not only the poor that suffer from vulnerability in consumption situation, but the members of the new middle class as well.

Moreover, the lack of formal support structures and formal institutions, and the negative inheritance that is associated with their family situations were also indicated as the causes of vulnerability of the emerging middle class. Furthermore, it is posited that Ubuntu, as an informal socio-cultural institution, creates an environment of unquestioning loyalty and social obligation, which puts the emerging middle class at risk of vulnerability due to the unflinching loyalty it commands.

The section through the discussion also briefly highlighted the practical interventions that people can take to protect themselves from the likelihood of vulnerability, such as having a support structure, accumulating assets, and saving.

6.3 What are the vulnerabilities/points of vulnerability of the emerging middle class?

This research question was aimed at identifying the points of vulnerability of the emerging middle class. These vulnerabilities are associated with powerlessness, having no control over a consumption situation, and the impact that this has on them.

The results indicate that the points of vulnerability of the emerging middle class are associated with the impact on their lives. The respondents highlighted some positive impacts of the black tax, such as feeling proud, which supports the findings by Magubane (2017) that individuals feel fulfilled and rewarded when providing support to their kin. These findings add to the literature on the effects of social capital on individuals. In contrast, some respondents spoke about the delays in their lives due to the black tax, which supports the assertion by Falco and Bulte (2011), who demonstrated that family obligations may lead to reduced savings due to the sharing of resources. Notwithstanding this, some respondents related that their experience of the black tax has taught them to plan their finances better, and to secure their future by investing and saving more.

6.3.1 Financial security

As was highlighted in the discussion on research question two above, finances are an integral part of the narrative of the emerging middle class. Money enables the middle class to participate in the economy in emerging markets, specifically because they participate with and in an environment characterised by resource deficits and limited resources (Kravets & Sandikci, 2014; Sheth, 2011). Having good finances is thus important for this group. The literature review revealed the impact of financial security on the vulnerability of individuals, i.e. the emerging middle class is in a precarious position because they have to share their income with family members who are not well-off (Lopez-Calva & Ortiz-Juarez, 2011; Magubane, 2017). Moreover, this sharing of income renders individuals financially vulnerable. The findings indicate that the black tax is a form of vulnerability for the emerging middle class, because the respondents detailed that it disrupts their finances and affects their savings rates and their acquisition of assets, as the needs of their family are primary to theirs. Furthermore, others have used their own accumulated savings to assist their families and admit that this is

not good practice. Over and above the basics, some respondents contribute for family functions and funerals, while others have bought cars and built homes for their families. Notwithstanding this, it is the monthly contributions that increase the vulnerability of the respondents, with one respondent highlighting that their contribution is a life-long commitment. These findings support and extend the views of Portes (1998), who showed that one of the consequences of social capital is the excessive claiming on group members, particularly those who have achieved success. Furthermore, they corroborate the findings of Adler and Kwon (2002) and Lin (1999), who posited that social capital can, at times, be a burden, because it may disadvantage or put pressure on the individual providing the capital. Additionally, the literature has indicated that a sound economic situation is a precursor to protecting individuals from idiosyncratic shocks (Lopez-Calva & Ortiz-Juarez, 2011), thus it can be noted that the financial impact of black tax is a point of vulnerability for the emerging middle class.

The respondents pointed out that not having financial security is a point of vulnerability for them, because it places them at risk of the effects of idiosyncratic shocks. Idiosyncratic shocks such as a loss of employment were found to increase the vulnerability of individuals and their households (Ligon & Schechter, 2003; Lopez-Calva & Ortiz-Juarez, 2011). The evidence suggests that individuals are aware of the impact that unemployment would have on them and their households: *“First of all I can afford to lose a job in both for my family uhm for my extended family because then little that I will have whilst jobless I will still find it necessary to share with them.”* The respondents also indicated that they feel the financial strain of having to take their resources and share them, describing how this impacts their financial security because they are unable to save or invest.

6.3.2 Consumption patterns

The consumption patterns of the emerging middle class is a widely discussed topic in the literature (Blocker et al., 2013; Burger et al., 2015a; Chipp et al., 2011; Kravets & Sandicki, 2014; Liu, 2016; Uner & Gungordu, 2016), with the attainment of material goods being associated with middle-ness (Kravets & Sandicki, 2014) and upwards mobility (Song et al., 2016). Consumption patterns being a point of vulnerability was acknowledged in the interviews, with the respondents describing that they delayed many things in their lives such as purchasing property, going on holidays and studying further because of their obligations. Low asset holdings are associated with those who are impoverished (Azeem et al., 2016; Blocker et al., 2013; Sheth, 2011), thus these findings indicate that the emerging middle class is in a precarious position that puts them at risk of vulnerability due to asset deficits. Furthermore, these delays undermine their middle class status which is associated with

attainment, because they have no control over their consumption situation. The respondents described these delays as a resulting from the responsibilities they have to their families, whereby they have to make decisions between their needs and their family's needs. This finding supports the conclusion by Magubane (2017) that sometimes individuals are forced to make decisions that require them to choose between self-interest and family interest.

Further findings regarding the consumption patterns of the respondents show that they are unable to fulfil their consumption needs and wants because they have family responsibilities to consider first. This corroborates the findings of Baker et al. (2005) and Blocker et al. (2013), who indicated that consumers are vulnerable when they find themselves in situations that render them powerless due to a lack of choice.

In contrast, these findings add to those of Chipp et al. (2011), who did not look at asset deficits in this light. Their study indicated that a history of deprivation and asset deficits lead consumers to consume recklessly in order to "catch up", with minimal consideration for their financial situation, while this study indicates that some respondents

Affordability was another point raised by the respondents interviewed for this research, who described their inability to purchase the cars they want or properties because their financial situation does not allow them to. One expressed that they had to cut back on personal spending due to their responsibilities. However, some respondents admitted to going into bad debt because of the issue of affordability. These findings can be contrasted with those of Chipp et al. (2011), whose indicated that emerging middle class consumers use credit, and thus acquire bad debt, in order to acquire material possessions in order to catch up and keep up.

The respondents further lamented the fact that they struggle to acquire assets and make investments, capturing the emerging middle class narrative regarding a lack of assets, which is reflective of the findings of Burger , Louw, et al. (2015), Burger, Steenekamp, et al. (2015), Chipp et al. (2011), Kravets and Sandikci (2014), Mattes (2015) and Sheth (2011).

6.3.3 Mobility

Mobility demonstrates the ability of people to shift in social position, whether upwards or downwards. Furthermore, it is related to an individual's economic status attainment relative to their previous position (Torche & Lopez-Calva, 2013; Toubøl & Larsen, 2017). Mobility is indicated by the attainment of income, education, prestige, power, influence, community participation, consumption, knowledge and asset ownership. The qualitative results from the interviews indicate that the respondents have attained some mobility relative to their parents.

They possess higher education qualifications, with some up to a Master's level, are employed in professional non-agricultural sectors, have influence over certain family decisions, and participate in the economy at levels higher than their parents.

Notwithstanding this, the respondents indicated that there is a threat to their mobility, mainly because they are powerless to fulfil their consumption goals. The impact on the consumption and assets ownership aspects of the mobility of the emerging middle class indicates consumer vulnerability. The restriction on their mobility in terms of attainment of goods indicates experiential disadvantages that are linked to vulnerable consumers. This corroborates the findings of Blocker et al. (2013), who found that consumer vulnerability is associated with social, psychological and experiential disadvantages, and may exacerbate the felt deprivation of consumers.

The respondents highlighted that their family situation and kinship relationships hinder their consumption and attainment of assets and further education. One respondent summarised this view by saying: *"The downside is that it delays one's progress. It delays the tax payer's progress."* These findings also support the view that social networks inhibit social mobility. Domínguez Watkins (2003) found that women's social mobility is inhibited by the enforcement of limiting expectations, while Magubane (2017) concluded that individuals have, at times, put their lives on hold in order to support their kin, thus impacting their mobility.

6.3.4 Life choices

Life choices are generally depicted as the choices individuals have. Some respondents indicated that the obligations to their families affects their life choices, describing how their decisions are impacted because they have to put others before themselves. A respondent in the survey indicated regret over a life choice that was made, giving rise to internal conflicts: *"It makes you question your decisions. There was a time I was asking myself if I love my partner or it's because he gives me the money that I need."* Black tax is the cause of these uncertainties in life choices.

Restrictions related to life choices can also lead to future exposure to vulnerabilities. An example is the choice to delay studying further, which leaves respondents exposed to the risk of idiosyncratic shocks that might arise in the future. One respondent highlighted that their employment choices are driven by their familial obligations, because they are always looking for an employer who will pay more, meaning that they do not have loyalty to a company but to

their family. The respondents linked these life choices to stepping backwards and delays in progress in their lives, similar to the views they shared on mobility.

Some data revealed a personal impact due to familial obligations, with some respondents relating how they are still thinking about having children, because they believe it will have an impact on the contributions they make at home. These findings corroborate those of Göransson (2013b), who detailed how Singaporeans delay marriages and have fewer children in order to be able to provide financial and material support to their families, thus displaying a constant renegotiation and reinterpretation of the terms of contract between individuals and their families.

Furthermore, these findings indicate that familial obligations lead individuals to make difficult life choices in the interest of their families, while disregarding their own self-interest. These findings affirm Falco and Bulte (2011) and Magubane's (2017) arguments that individuals sometimes make difficult decisions in the interests of their families rather than their own.

6.3.5 Conclusion

This section detailed what the emerging middle class consider their points of vulnerability or weakness to be. These are the elements in their lives that dictate the outcomes of their situations. These findings, together with the supporting literature, indicate a middle class that is vulnerable in the context of their decisions, finances, mobility, consumption patterns and the support they give to their families. These elements make the middle class vulnerable because they threaten the lifestyle that is associated with the "middle-ness" of being middle class.

6.4 How does black tax affect the benefactor ?

The phenomenon of black tax as discussed in research question one affects the South African black middle class, and is a result of multiple elements such as family norms, background, social bonds and race. Having pointed this out, research question four set out to determine what impact black tax have on the benefactor.

Black tax was found to be a source of social capital in this study, however it was found that while it can be a source of advantage, it can also be a disadvantage for those providing the capital (Lin, 1999). Black tax was found to impact the consumerism of the emerging middle class, by dictating how their income is spent. Respondents provided insights on how they have to provide for the needs to their families before they can purchase goods for themselves. Once their family's needs are met, some respondents highlighted that they are then left with little

disposable income to spend on resources or invest in savings. For this reason, it is presented as a source of vulnerability for the emerging middle class because it takes away their power over a consumption situation thus making them vulnerable (Baker et al, 2005; Blocker et al., 2013).

Other respondents indicated that even spending on leisure activities such as holidays is a challenge. These views bring a new angle to the materialism associated with the emerging middle class. The emerging middle class is associated with excessive and conspicuous consumption (Chipp et al., 2011; Kardes, 2016) hence they are seen as drivers of economies in emerging markets. However, evidence presented here suggests that they are experience consumer vulnerability associated with limited spending. Chipp et al. (2011) detailed the materialism that was shown by the emerging middle class, which was ultimately detrimental to their financial stability, in contrast the findings indicate that though there is a desire to conspicuously consume, the circumstance of these emerging middle class respondents prevent them from doing so. These experiences indicated by these respondents may actually be of their benefit and protect them from reckless financial practices detailed by Chipp et al. (2011). In contrast, these experiences might magnifying the disadvantaged consumers' experience of felt deprivation and powerless, which as indicated by Blocker et al. (2013) makes the consumer vulnerable. This it is concluded that black tax can have a dual positive and negative impact on the vulnerability of the emerging middle class.

6.4.1 Relationships

Relationships between actors are critical in the social capital narrative and have been found to be sources of advantage for individuals who leverage them (Göransson, 2013a). The findings on this theme indicate the impact that black tax has on respondents' relationships, and how it makes them vulnerable in the context of risk sharing. The findings revealed that two types of relationships are impacted by black tax - the spousal relationship and the family relationship. The findings indicate that negatively affected relationships expose individuals to the risks of vulnerability, because they provide no support structure in the event of idiosyncratic shocks. The findings support the notion that risk sharing within households is crucial in terms of protection from idiosyncratic shocks. Some respondents indicated that positive relationships with family members will form part of their support structure in the case of risk-induced or poverty-induced vulnerabilities. These findings support those of Göransson (2013a), who indicated that relationships are crucial sources of advantage for those who leverage them. Furthermore, households that share risk amongst themselves are able to reduce their levels of idiosyncratic vulnerability (Jalan & Ravallion, 1999).

Further insights were revealed when some married respondents revealed that the black tax impacted their relationships in the beginning of their marriages due to the other partner not being sympathetic to the situation, however they admitted that this view has changed and their spouses had become more understanding. Spousal relationships that were not affected was due to a common understanding between the two individuals, because both provide support to their families. The respondents noted how this became a form of coping mechanism, as both partners shared a common situation. These findings corroborate those of Giordano and Lindström (2011), who found marriage to be beneficial for psychological health and a form of protection in terms of emotional and financial support mechanisms. It is thus argued that marriage protects individuals from vulnerability.

6.4.2 Emotions

The black tax invoked a multitude of positive and negative emotions from the respondents, with the subject significantly affecting the lives of the respondents. The emotions ranged from anger and pain to pride and appreciation. Some respondents expressed that the black tax makes them feel like failures, while others indicated that it makes them feel ashamed to spend their own money on themselves. Still others mentioned that it is a burden that is emotionally draining and makes them feel indebted. Some positive emotions were expressed however, with certain respondents saying that the black tax makes them feel fulfilled and proud.

Friedman (2016) indicated that a small number of British respondents, which is a developed market, who achieved upward mobility display a negative emotional impact associated with the movement. The findings in Chapter 5 add to those of demonstrating that the emerging middle class also suffers from the psychological distress associated social mobility, which is proposed to be intensified and augmented by the resource deficits and lack of choice that this social class suffers from. Furthermore, the findings challenge the narrative by indicating that the emerging middle class also suffers from psychological impacts of social mobility, which finds them caught in between their new social status and their past. Instead of enjoying the benefits of social mobility, the experience affects the emotional wellbeing of this already vulnerable emerging middle class.

The emotional aspect of black tax can be linked with the relationships that the respondents have, because good relationships indicate a possible support structure, whereas bad relationships may indicate no support structure. Thus it impacts the respondents' ability to respond to idiosyncratic shocks.

6.4.3 Conclusion

The evidence presented for research question four suggests that the black tax impacts the wellbeing of the emerging middle class both positively and negatively. It leads to financial vulnerability due to the sharing of resources with family members, with individuals being unable to fulfil their financial goals and thus making them vulnerable to shocks, but also protects them from reckless spending.

Black tax also impacts relationships, which are a crucial element in the support structure that may protect them from suffering idiosyncratic shocks. It is also evident that two people who share the same experience of black tax become each other's coping mechanism to deal with the burden of black tax, possibly leading to strengthened relationships. Notwithstanding this, black tax appears to negatively affect family relationships more than spousal relationships.

Black tax further leaves individuals conflicted between their new social class and their past, and thus leads to emotional distress associated with their upward mobility.

6.5 Further research insights

Below is a breakdown of the additional findings that emerged from the research. These findings provide new insights to the knowledge on the phenomenon of the black tax

6.5.1 Rationale for support

A theme that naturally emerged during the line of questioning was the rationale for why the respondents support their families. The data for this came from a follow-up prompt that probed why respondents pay tax even though it causes a financial strain.

The main rationale identified for why the respondents provide support is the poor economic situation of their families. Some other reasons were emotional, with respondents expressing guilt and a feeling of indebtedness to their families. One respondent indicated that they could not enjoy their middle class lifestyle while their family members suffered. Obligation was also revealed by some respondents as a major motive for supporting their families, while some displayed altruistic motives for providing support. The findings corroborate those of Magubane (2017), Portes (1998) and Rooks et al. (2016), who noted that social capital motives for support range from normative commitments to obligation and bounded solidarity.

6.5.2 Generational impact

The findings show that all the respondents shared a common view that their children must not experience black tax due to the effects it will have on them. They maintained that they are doing all they can to ensure their children do not carry the burden of supporting them. This view indicates that the black tax is not a welcome phenomenon in the lives of these individuals. The respondents expressed a desire for their children to be financially independent and able to make decisions that are in their best interests. Respondents indicated that they want independence for their children and will therefore lay a foundation for them to have positive inheritance, unlike them. These findings add to those of Chantarat and Barrett (2012) who indicated that endowment in social network capital and traditional capital can facilitate positive generational impact by helping the poor to escaping poverty. The research findings also challenge the literature on the positive picture of the emerging middle class (Kardes, 2016; Kravets & Sandikci, 2014; Liu, 2016; Song et al., 2016; Stampini et al., 2016; Uner & Gungordu, 2016), by indicating that the emerging middle class also grapples with the notion of poverty in their current state and they are putting means into place that will prevent future generations from regressing back to poverty that defined their background.

CHAPTER 7: CONCLUSION

7.1 Introduction

This chapter presents the summary of the main findings set out in the previous chapter in the context of the research questions, provides a review of black tax and vulnerability in the context of the emerging middle class and presents a framework based on these findings. The chapter concludes with recommendations to marketers and policy makers based on these findings. Furthermore, directions for future research are included for consideration.

7.2 Research background and objectives

The middle class is traditionally associated with stability and invulnerability, however the emerging middle class is argued not to fit this narrative as they have relatively shallow roots, operate in emerging markets, and are affected by differential social capital. The rapid growth of the emerging middle class has led to a significant interest in this group from those who acknowledge their consumer power (Kravets & Sandikci, 2014; Song et al., 2016). A multitude of literature focuses on the uniqueness of this group in terms of their defining features, their consumption patterns and the impact they have on economies (Kardes, 2016; Kravets & Sandikci, 2014; Liu, 2016; Song et al., 2016; Uner & Gungordu, 2016), however limited literature focuses on the complexities of black tax and the vulnerability of this group. The study sought to determine if there is a link between black tax and the vulnerability of the emerging middle class.

The research explored the concept of black tax what it means to individuals, and how it impacts their lives thus enabling the research to synthesise a definition. Furthermore, the factors that increase the likelihood of vulnerability emerging middle class in the South African context were explored, as were the points of vulnerabilities of this emerging middle class.

7.3 Key findings

The findings of this research are based on 18 semi-structured interviews. The interviewees came from the black racial group and have had experiences of black tax in their lives. Each of the interviewees gave in-depth insights into their experiences, which helped formulate the conclusion for this research in accordance with the research questions captured in Chapter 3. These findings introduced new insights to the topic of vulnerability and the impact that black tax has on the emerging middle class. Additionally, they gave insights that linked black tax to the vulnerability of the emerging middle class.

7.3.1 Definition of black tax

One of the key findings in this research is the definition of black tax, which was synthesised from the inputs by respondents and the discussion in chapter six. The research offers a definition of black tax *“a social obligation to provide support for family members due to historical disadvantages that affected black families, which places a duty of reciprocal care on the younger generation to support others because they are newly successful, resulting in a financial and emotional impact on individuals”*.

7.3.2 Resource deficits and lack of choice make the emerging middle class vulnerable

Blocker et al. (2013) make a case for the vulnerability of the poor people in terms of resources and choice. The findings of this research extend this work by indicating that resource deficits and lack of choice not only affects the poor, but extends to the emerging middle class as well. The emerging middle class suffer from chronic resource deficits, which are preceded by a history of oppression. This past disadvantage impacts the current generation of emerging middle class through resources deficits and differential access to social capital. Furthermore, the findings indicate that family bonds and obligation is detrimental to the acquisition of resources and only benefits the beneficiaries, while depleting the resources of the benefactors, contrary to the findings of Chantararat and Barrett (2012) and Laud et al (2015). The lack of choice that consumers have in a consumption situation was found to be associated with income, which constricts their choice. This is because they have to share it with their kin, leaving them with limited disposable income to invest or acquire assets. This perpetuates the situation of asset deficits of the emerging middle class, thus making them vulnerable. Moreover, individuals indicated a lack of choice in terms of the situation they find themselves in of providing financial and material support to their kin, again a lack of choice indicating that the emerging middle class are vulnerable.

7.3.3 Family obligations form the basis of emerging middle class vulnerability

Family obligations was found to be a central factor that causes and influences black tax and the vulnerability of the emerging middle class. Evidence suggests that family situations such as poor family backgrounds, race-linked inequalities, current economic situations, unemployment, parental situations and values form the foundation that leads individuals to share their financial resources with their family members. The family situation represents a lack of choice associated with individuals because they did not choose to be in their current situation. The findings add to those of Blocker et al. (2013) who demonstrated that the lack of choice increases the vulnerability of the poor.

7.3.4 Points of vulnerability

Even though they are upwardly mobile and have attained a higher economic status (Matras, 1980; Toubøl & Larsen, 2017), the emerging middle class experiences vulnerability that stems from their social obligations to their kin, including consumer vulnerability. Financial security was also found to impact the point of vulnerability of the emerging middle class, as individuals experience financial strain from the sharing of resources with their kin, which directly impacts their consumption and acquisition of crucial assets that may protect them from idiosyncratic shocks. Individuals are left powerless and with a lack of choice over consumption situations, because they are unable to make purchases and investments that offer protection from idiosyncratic shocks, thus making them vulnerable. Family obligations greatly impact their consumption patterns, and individuals often have to make difficult consumption decisions whereby they must deliberate spending money on themselves or their kin. This supports the findings of Magubane (2017), who found that the emerging middle class has to make difficult decisions between self-interest or family interest.

Additionally, mobility is hindered because there are many aspects of life that they have had to delay or give up on due to their economic situation. This highlights the impact that black tax has on the progression of life of the emerging middle class.

7.3.5 Relationships and support structure impact vulnerability

Another insight uncovered by the research pertains to the support structures of the respondents. The research findings indicate that a personal support structure is a mediator in black tax. Support structure was found to be a crucial element that has the potential to protect individuals from idiosyncratic shocks due to its risk sharing properties (Jalan & Ravallion, 1999). Furthermore, Prandini (2014) and Göransson (2013a) indicated the importance of family relationships in protecting individuals and offering them support.

The interviewee responses implied that they understood the importance of having a support structure should they suffer from idiosyncratic shocks such as a loss of employment. Many of the respondents named their spouses and family members as their source of support should they suffer a job loss, however the mechanism of this support structure is reliant on the nature of the relationships they have. The respondents acknowledged the impact that providing support has on their relationships with their spouses and kin. These relationships are direct influencers of the structure because without good relationships, individuals have no guarantee of having a support structure in times of difficulty. The research also found that relationships can increase the vulnerability of the emerging middle class, because it makes them susceptible to financial loss due to the sharing of resources.

Additionally, it was found that the relationship between spouses can be a coping mechanism for individuals paying black tax, more especially when both partners pay black tax and share a common understanding of their situations.

7.3.6 Black tax is a form of social capital

The research found that black tax is a form of social capital that provides access to resources, which individuals leverage as a source of advantage. Black tax inheres in the linkages between family networks, with individuals forming the social capital that provides the resources that are accessed by their family networks. Given their disadvantaged past and inherent disadvantages, this group is faced with negative inheritance challenges (Chantarat & Barrett, 2012) and thus carry the burden of providing support to their family members, because they have achieved a better economic status. The disadvantages of the past have resulted in differential access to social capital between racial groups, with the black racial group suffering most. They are thus dependent on others within their networks to “pull” them up.

Moreover, their motives were found to be altruistic and driven by moral obligations, normative commitments and bounded solidarity, a finding that was also highlighted by Magubane (2017). An interesting point that contradicts the view of reciprocity and duty is the consensus shared by all individuals that they do not want their children to experience the black tax. In fact, the experience of black tax has pushed them to work harder to improve their own family situations for the sake of their children, adding to the findings of Chantarat and Barrett (2012) who found that capital endowment can facilitate positive generational impact. It is concluded that the experience of black tax, while the intentions are noble, is not positive for individuals.

Black tax is also linked negatively to those who are the benefactors, as it impacts their mobility, life choices, consumption patterns, relationships, finances and emotions. Most importantly, the financial impact of black tax affects the ability of an individual to use their disposable income for savings and investments in assets and their education, corroborating the views of Falco and Bulte (2011) who found that family tax affects individuals’ savings. This exposes them to the risk of idiosyncratic shocks, making them vulnerable and rendering their households vulnerable to idiosyncratic shocks, because their families depend on them for their livelihoods.

7.4 Proposed Black Tax and Vulnerability Framework

The findings of the research were analysed to synthesis a framework for black tax and the vulnerability for the emerging middle class.

Figure 10 provides a proposed framework of black tax and vulnerability of the emerging middle class. Importantly, the premise of black tax is based on the notion that the individuals providing the financial and material support have achieved upward mobility. Black tax has causal factors that provide the foundation of the phenomenon. These causal factors are related to the family situation. Kin obligations supported by values of reciprocity, duty and Ubuntu compel the younger generation to provide support for their family members, who were disadvantaged by past inequalities in the South African context being apartheid. These past disadvantages systematically excluded individuals according to race, thus disadvantaging the current generation who is paying the black tax. Black tax then becomes the social capital that provides the resources that are leveraged by family networks to get by and get ahead

The relationship between the causes of black tax and the results or impact of black tax can be explained by the mediating factors identified in the research. The relationship is mediated by the extent of the financial and personal support structure individuals have. The lack of spousal support and lack of family support i.e. siblings who do not help to ease the burden of black tax, leads to individuals carrying this burden by themselves.

Black tax was determined to have both a positive and negative impact on individuals. Resulting in lack of choice and maintained asset deficits for individuals, thus making them vulnerable. Moreover, it resulted in financial and emotional vulnerability, and family conflict at times. The positive aspects related to black tax include strengthened relationships due to shared solidarity and a personal fulfilment on the part of the benefactors of black tax.

The lack of choice and maintained resource deficits associated with black tax were linked to vulnerability. Consumer vulnerability is associated with powerlessness over a consumption situation, which is associated with a lack of choice or constricted choice and a lack of resources. The fact that black tax engenders lack of choice and lack resources indicates that the emerging middle class are as vulnerable as their lower class counterparts.

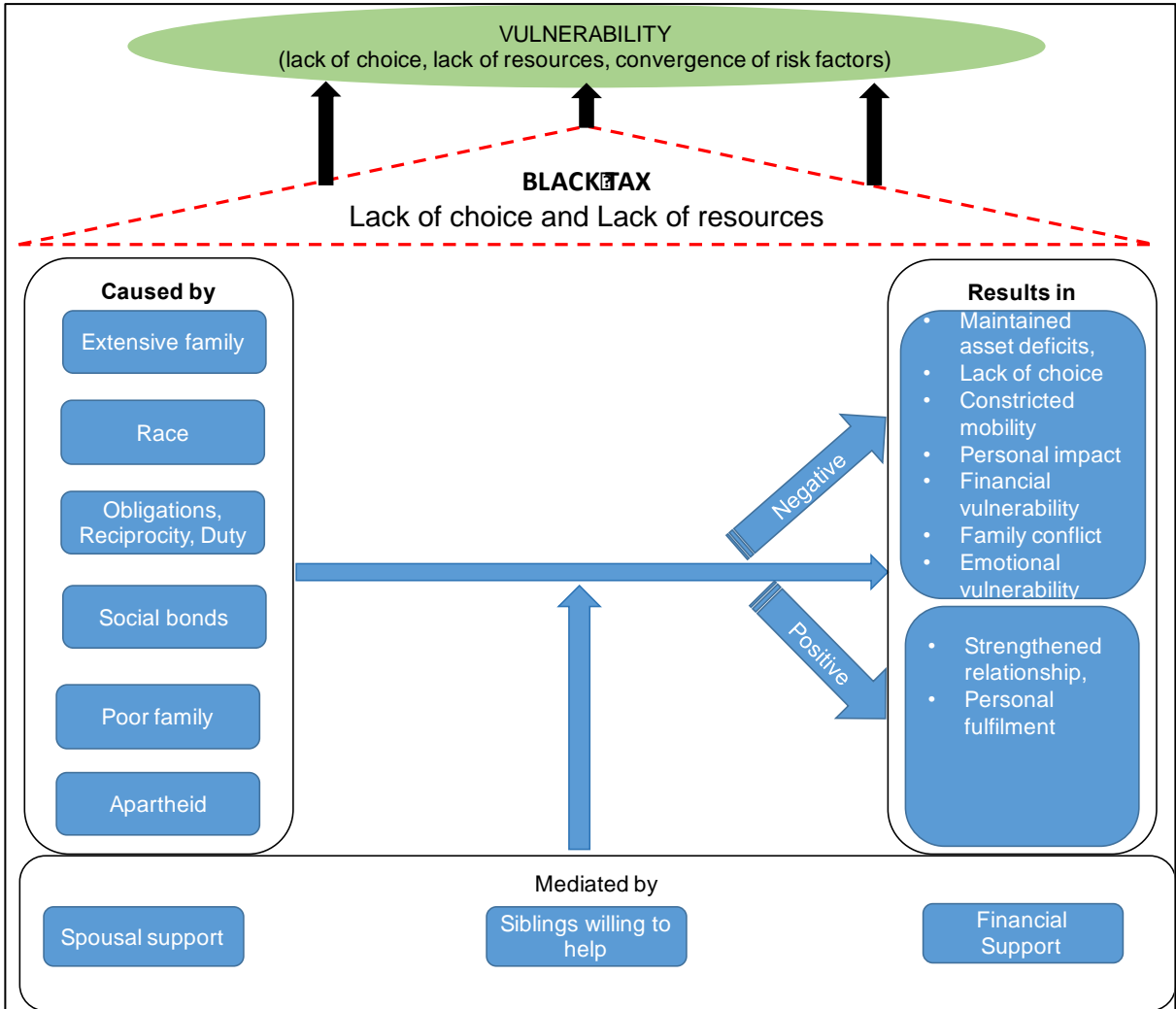


Figure 10: Proposed black tax and vulnerability framework

7.5 Recommendations

This research explored the link between black tax and the vulnerability of members of the emerging middle class, with the intention of understanding what makes them vulnerable and how it impacts their lives. Furthermore, the research aimed at helping South African marketers understand this growing middle class and the challenges that make them a vulnerable consumer. Moreover, the research was aimed at assisting policy makers to understand the challenges that impact the emerging middle class and their families, making them vulnerable. Based on the results and analysis done, the following recommendations are provided.

7.5.1 Recommendations to policy makers

The black tax is a harsh reality for many black professionals in South Africa, who carry the burden of providing support to their families thus exposing them to risks. It is recommended that policy makers consider the following recommendations:

- Lopez-Calva and Ortiz-Juarez (2011) highlighted that understanding vulnerability may assist in the design and implementation of social development strategies. Thus, an understanding of the vulnerability of the middle class the government can put social development policies in place that support and are accepted by this vulnerable class. Blocker et al. (2013) found that government solutions are acceptable and adopted when they are aligned to people's social, cultural, psychological and family lives. Government policies will assist in fostering the continued class membership of the emergent middle class in an attempt to reduce inequality and poverty (Ligon & Schechter, 2003; Lopez-Calva & Ortiz-Juarez, 2011; Torche & Lopez-Calva, 2013). In addition, it is postulated that increased government support in the form of formal safety nets will lessen the pressure on the informal social safety nets that lie within the larger family group.
- Consider programmes that reduce poverty and inequality, thus curbing the systematic continued disadvantage of the black middle class in South Africa.
- There is consensus amongst black people across classes that the government must create more employment to complement the welfare state it created (Mattes, 2015). The creation of more employment, particularly in the case of the youth, may alleviate the burden of black tax and facilitate risk sharing in households, reducing the likelihood of idiosyncratic vulnerability in households.
- Understanding the vulnerability of the emerging middle class means that policy makers can design and implement social development strategies that will support this vulnerable class and their families.

7.5.2 Recommendations to marketers

This research echoes the sentiments of Sheth (2011), who emphasised the importance of having a marketing policy that is cognisant of the dynamics in society, inclusive, purposeful and sustainable. Having a purposeful marketing approach will ensure that all the dynamics within the emerging middle class society are addressed when targeting consumers. The research findings highlighted the difficulty that the emerging middle class face when it comes to acquiring assets that can offer protection in the event of idiosyncratic shocks. It is recommended that marketers consider these dynamics when offering products that can help build healthy savings and investment portfolios for the emerging middle class.

7.5.3 Suggestions for future research

Since black tax is found to substantially impact the emerging middle class, it is recommended that a study be conducted to determine if the phenomenon of black tax has led to a regression into poverty for individuals and households who had achieved upward mobility. It would be of interest to determine if black tax has such a significant impact on the emerging middle class. Additional research should be conducted to understand the impact of black tax on the psychological health of individuals. The respondents indicated being emotionally conflicted and distressed, which may impact their psychological health.

Furthermore, research can be conducted on how the emerging middle class deals with their vulnerabilities.

Finally, it is proposed that further research be undertaken to build on the nascent framework proposed in this study to uncover new insights on the phenomenon of black tax.

7.6 Limitations of the research

Chapter 4 captured the limitations of this research, which included the use of non-probability sampling which could have introduced biases. Further, confirmation bias was identified, which meant that the researcher might have focused on certain aspects of research which confirmed her pre-conceived views of black tax, resulting in missed perspectives from the interviewees. English as the medium of language was also noted as a limitation of the research, as it was not the primary language of communication for some respondents.

Furthermore, it is noted that researcher bias might have skewed the research in the context of the interview questions, because the researcher has also been impacted by black tax. Another limitation to the study is the lack of applicability of the study to the global emerging middle class.

Limited academic research on black tax presented a further challenge to the research. Most literature on black tax is found in business sources and media.

Finally, this research was conducted in the context of the South African middle class, thus its applicability to the entire emerging middle class is subjective.

7.7 Conclusion

Blocker et al. (2013) highlighted that the vulnerability of the poor consumer is related to power over a consumption situation. Vulnerability in this case is related to powerlessness (Baker et al, 2005; Blocker et al., 2013), which is associated with a lack of choice and lack of possession of resources (Blocker et al., 2013). This study found that this concept of vulnerability in the context of the consumer does not only apply to the consumer who consumes in poverty, but extends to the emerging middle class. The lack of resources and lack of choice exposes the emerging middle class vulnerable to idiosyncratic shocks, which can be mediated by having a personal support structure, resulting in multiple vulnerabilities. The research found that the circumstances of the emerging middle class expose them to vulnerability, in this case black tax. It was found to lead to a lack of choice and maintained asset deficits for the emerging middle class consumer, therefore making them vulnerable. The study found that the emerging middle class is not associated with the invulnerability and stability that defines the traditional, established, Western middle class.

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APPENDIX A: INTERVIEW GUIDE

INTERVIEW GUIDE BLACK TAX AND THE VULNERABILITY OF THE EMERGING MIDDLE CLASS

Biographical Questions - Interviewee

Name

Gender

Age

Birthplace

Current residence place

Highest level of education

Population group

Marital status

Opening grand tour questions

Tell me about yourself, family, work, community?

What is your understanding of black tax?

Do you provide any support for your family?

Tell me about the support you give (PROMPT IF NEEDED – FINANCIAL, TIME, OTHER RESOURCES (CARS, INSURANCE, GOODS) PROMPTED

What is the money used for?

Take me through your experiences of black tax?

Describe to me how these experiences affected your life?

Describe to me how these experiences make you feel?

Follow up prompts for further inquiry

Have you had to give up or delay certain things in your life because of black tax?

What informs your decision to help your family?

How has black tax impacted your relationship with your immediate and extended family?

How has black tax impacted your relationship with your spouse or partner?

How important is financial security to you?

Do you feel like black tax is affecting your financial security and prosperity?

Who would you turn to for support if you were to lose your job?

Would you want your children to go through the same experience? Why? Why not?

Floating prompts

These prompts will be guided by the responses of the interviewee and will include:

Why is that?

How?

APPENDIX B: INTERVIEW CONSENT FORM

Gordon Institute of Business Science

University of Pretoria

Informed Consent letter

RE: MBA Research Study

I am a Gordon Institute of Business Science (GIBS) MBA student who is conducting research to find out more about Black Tax and the vulnerability of the emerging middle class.

Our interview is expected to last an hour and will assist in understanding link between black tax and the vulnerability of the emerging middle class.

Your participation is **your participation is voluntary and you can withdraw at any time without penalty**. All data will be captured and reported without identifiers and will be kept confidential.

If you have any concerns, please contact my supervisor or me. Our details are provided below.

Researcher Details

Name: Bontle Sibiyi

Email: 17325952@mygibs.co.za

Mobile: 0765914966

Signature: 

Date:

Research Supervisor Details

Name: Kerry Chipp

Email: chippk@gibs.co.za

Mobile: N/A

Signature:

Date:

Signature of participant: _____

Date: _____

APPENDIX C: SUMMARY TABLES

Table 2: Interviewee summary

	Age	Gender	Marital Status	Race	Highest qualification	Place of residence
Respondent 1	38	Male	Married	African	B Tech (Survey)	Urban
Respondent 2	32	Female	Married	Coloured	Honours degree	Urban
Respondent 3	31	Male	Married	Indian	Honours degree	Urban
Respondent 4	35	Female	Single	African	B Tech (Electrical Engineering)	Urban
Respondent 5	30	Male	Single	African	Trade certificate in survey	Urban
Respondent 6	46	Male	Married	African	Master's degree	Urban
Respondent 7	40	Female	Single	African	Matric	Urban
Respondent 8	33	Female	Married	African	Degree	Urban
Respondent 9	35	Male	Married	African	Master's degree	Urban
Respondent 10	26	Female	Single	African	Administration NQF Level 4	Urban
Respondent 11	40	Female	Single	African	N5 (Mechanic Engineering)	Urban
Respondent 12	43	Male	Married	African	Master's degree	Urban
Respondent 13	40	Male	Married	African	Master's degree	Urban
Respondent 14	28	Male	Single	African	Degree	Urban
Respondent 15	31	Female	Married	African	Honours degree	Urban
Respondent 16	29	Female	Married	Indian	Degree	Urban
Respondent 17	35	Female	Married	African	Master's degree	Urban
Respondent 18	42	Female	Single	African	Diploma	Urban

Table 3: Codes linked to financial impact

Codes linked to financial vulnerability	Second order codes
Affects me financially	Financial impact
Affects savings	No financial impact
Assume everything is theirs because I am providing	Delayed purchasing assets
Blacklisted	Bad debt
Cannot afford to lose job	
Delayed buying a house	
Driving same car for years	
Feel financial strain sometimes	
Gave up applying for home loan	

Gave up my business	
Losing job will affect family	
Need to pay them back	
Needed stable income to support	
Needed the money elsewhere	
New car means less money to send home	
Not affecting financial security	
Part of my budget	
Skipped paying accounts	
Take resources and split it	
Used my savings	

Table 4: Codes linked to support structure

Codes	Second order codes
Family will support me	Spousal support structure
Husband will support me	No support structure
Losing job will affect family	Family support
Mom will support me	Sibling support
No one else to support me	
Parents will support me	
Siblings will support me	
Wife will support me	

Table 5: Codes linked to family situation

Codes linked to family situation	Second order codes
Little money in household	Sibling dynamics
Mom not getting full income	Familial values
Mom spent retirement package on me	Household economic situation
My family is lower class	Past disadvantages
Never call and ask	Reciprocity
No one to take of parents	Obligation
No siblings	Only child
Not first born	Parents circumstances
Not going to have anyone to provide for me	Poverty
Obligation	No support
Parent/s sacrificed	Sibling support
Parent/s unemployed	Values

Parents are employed	
Parents did not think far ahead	
Parents divorced	
Parents have low paying jobs	
Parents have solid financial backing	
Parents never married	
Parents not exposed to benefits of saving early for retirement	
Parents on pension	
Parents uneducated	
Past disadvantages	
Pension not enough	
Physically cannot work	
Poverty in the house	
Siblings don't help	
Siblings don't understand	
Siblings help	
Single parent	
The way our family operates	
Works part-time	

Table 6: Codes linked to social bonds

Codes linked to social bonds	Second order codes
Band together as family	Bounded solidarity
Build a family as a community	Moral obligation
Carry responsibility	Interfamilial networks
Cousin helped me	Intrafamilial networks
Extended family helped raise me	Ubuntu
Family came together to help me	Reciprocity
Family is responsible with money I give them	
Family will support me	
Grew up to share	
Look after my brother	
Look after them	
Mom will support me	
Need to do more for them	
Not forced	
Obligation	

Table 7: Codes linked to role

Codes linked to Role	Second order codes
Breadwinner	Breadwinner
Carry responsibility	Nurturer
Committed to two homes	Duty
Eldest child	Responsibility
Financially helped sister in her marriage	
First born responsibility	
I see the need to help	
Look after them	
Mother gave me brother to raise	
My duties and responsibilities	
Provide for brother	
Take care of her until she dies	
Taking responsibility	
Two households	
You always make a plan	

Table 8: Codes linked to the understanding of black tax

Code linked to understanding of black tax	Second order codes
Black is when you give back to the family	Expectation
Black person takes on challenge of assisting the family	Burden
Black tax causes conflict	Obligation
Black tax delays progress in life	Choice
black tax holds you back	Family situation
Black tax is baggage	Upbringing
Black tax is heavy on us	Disadvantage
Black tax is not a must	Ubuntu
Black tax is not the right word	Emotion
Black tax is very bad	
Black tax is when you have no choice	
Black tax made me grow up quickly	
Black tax sends a person back	
Black tax taught me life lessons	
Black tax was transferred to me	
Blacks are suffering because of black tax	
Burden	
Creates dependency	

culture issue	
Emotional expectation	
Expectation	
Expectation when you start working	
Financial expectation	
Generational	
Not forced	
Obligation	
Our family has always had this black tax thing	
Past disadvantages	
Result of upbringing	
Support that black people give to extended or immediate family	
Tradition to help at home	
Taught me to be savvy with money	
Ubuntu	
Unspoken expectation	
Vicious cycle	
We are helping each other	

APPENDIX D: ETHICAL CLEARANCE LETTER

**Gordon
Institute
of Business
Science**
University
of Pretoria

20 June 2018

Sibiya Bontle

Dear Bontle

Please be advised that your application for Ethical Clearance has been approved.

You are therefore allowed to continue collecting your data.

Please note that approval is granted based on the methodology and research instruments provided in the application. If there is any deviation change or addition to the research method or tools, a supplementary application for approval must be obtained

We wish you everything of the best for the rest of the project.

Kind Regards

GIBS MBA Research Ethical Clearance Committee