

Long-run Effects of Forced Resettlement: Evidence from *Apartheid* South Africa

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Abstract

In an attempt to divide and marginalize the black opposition, the apartheid regime forcefully relocated some 3.5 million South Africans to rural *homelands*. Using newly geocoded data to explore long-term effects of what is considered one of history’s largest social engineering exercises, I show that former resettlement communities have *higher* levels of social capital than surrounding communities as measured by levels of trust and crime. Effects are larger for people born after 1975 who did not witness the forced removals suggesting that effects persist and are not the result of the act of resettlement. Exploring causal mechanisms, I document that resettlement areas are more ethnically diverse and that diversity is positively correlated with measures of social capital *only* in areas affected by relocation. The formation of new support networks and adoption of a shared identity as displaced people may explain why relocation communities have higher levels of social capital despite potential short-term conflict over resources. These findings are important as solidarity among suppressed people is believed to be a critical factor in explaining the demise of the apartheid regime.

1 Introduction

Spatial segregation was at the heart of the apartheid regime (Simkins 1983, 2011). Faced with increased urbanization and political formation within the black population, the apartheid regime created a system of ten ethnically distinct homelands with the goal of dividing the black opposition and promoting tribal identity and allegiances. Under the rhetoric of ‘separate development’ some 3.5 million black South African were forcefully relocated between 1960 to 1980 in what has been called the “*ultimate apartheid experiment*” (Christopher 2001:5). The majority was deported to relocation camps (located in homelands) which suffered from stark economic deprivation and overcrowding. In camps, the “*arbitrary assignment to residential sites destroyed a range of existing relationships*” (Sharp and Spiegel, 1985).

Life in resettlement camps had both cooperative and competitive elements. On the one hand, scarcity exacerbated conflict over resources but on the other hand, people needed to build new support networks and could rally around the common goal of fighting the apartheid regime. Consequently, historic accounts report both “*endemic violence*” (Rogers 1980) as well as acts of solidarity among the displaced

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people. This ambiguous effect on social cohesion and social capital¹ within the resettlement communities motivates the empirical investigation in this study.

While the importance of social capital is widely acknowledged (Putnam 1993, Glaeser et al. 1995, Dzankov et al. 2003, Fafchamps 2006, Guiso et al 2008), most of the literature focuses on its *effects* with less attention to its *sources* (Marshall and Stolle 2004). A small set of papers looks at the role that the community plays in forming social capital. The fundamental challenge to establish causal relationships is that people may select to live in a particular social setting for reasons correlated with the level of social capital. More trusting individuals, for example, may choose to live in more diverse communities which would lead to a spurious positive correlation between social capital and heterogeneity. Conversely, the robust negative relationship between levels of income and trust (Li et al. 2005, Leki 2008) and ethnic heterogeneity and trust (Alesina and La Ferrara 2002) may be driven by differences in crime rates or the provision of public services.

The key question is how people *change* their level of trust when faced with an exogenous shock in their social setting such as experiencing economic hardship or living in a more heterogeneous community. The ideal experiment would be to randomly assign people to locations with varying levels of income or ethnic composition and compare how their level of trust evolves. While this experiment is clearly infeasible, I will argue that the forced resettlement of millions of black South Africans to ethnic homelands under apartheid offers an opportunity to investigate the effects of an exogenous change to the social setting in which people live.² In order to estimate the long-run effects of living in these communities, I use data from five waves of Afrobarometer data collected between 2000 and 2010 and newly digitized data on the size and location of resettlement camps.

To estimate the effect of removals I compare how levels of social capital in a given homeland vary with proximity to resettlement camp sites. This strategy is based on the premise that effects of forced removal should be largest near these resettlement camps. Comparing individuals with the same demographic characteristics who belong to the same ethnic group and reside in the same former homeland, I find that those living close to former resettlement sites have *higher* levels of social capital. They are more trusting towards relatives and neighbors, and are 7.7 percentage points (39%) more likely to state that people in general can be trusted. There is also evidence that people in these communities experience lower levels of crime: reported incidences of physical violence are 30% lower in resettlement areas.

The apartheid regime tried to promote ethnic identity among Africans and stoke inter-ethnic tension through resource and land reallocation. A second set of findings thus explores effects on the levels of trust towards the own and different ethnic groups. Questions of inter-ethnic relations are particularly important in the South African context in light of the inter-ethnic violence around the time of the first democratic election in 1994. I find that people living close to former resettlement camps have *higher* levels of trust towards their own ethnic group (13.7%) and even more so towards other ethnic groups (21.8%).

While I argue that these findings capture the effect of living in newly formed resettlement communities, I test various alternative theories that may explain the results. First, resettlement camps were more likely to be located near homeland borders, as the apartheid regime aimed to exploit Africans as sources of cheap labor while keeping them geographically segregated (Christopher 2001). People in these areas were hence more likely to travel outside of homelands even with mobility restrictions in place. To test whether results reflect interactions outside homelands, I control for the distance of individuals to the

¹I follow Guiso et al. (2007)'s broad definition of social capital as "*a set of beliefs and values that facilitate cooperation among the members of a community*".

²With '*African*', I refer to black South Africans which make up about 80% of the population. While the categorization into four population groups (African/Black, Coloured, Indian/Asian, White) is controversial as it is based on race categories established during apartheid, the South African census and other surveys still ask people to describe themselves as one of these four racial groups.

homeland border, nearest large city, and nearest industrial areas and find that results are robust to these specifications. Second, findings could be the effect of (selective) migration: people may have left relocation areas after mobility restrictions were lifted at the end of apartheid. Historic census data shows that those who migrated from resettlement camps and comparison areas did not differ along observable characteristics and that population changes (since 1996) are almost identical in these areas. Third, I employ a placebo test to verify that findings are not merely the result of increased urbanization associated with resettlement. Using data from the South African census, I identify wards that are most similar to former resettlement camp areas in terms of population density and race composition and re-do the analysis assuming that the matched wards had a resettlement camp at their centroid. I can reject that coefficients of this placebo test are equal to results of the main specification at significant levels. In sum, while the available historic data does not allow a conclusive test of all underlying assumptions, various tests support the validity of the identification strategy.

One caveat for the interpretation of results is that available data does not allow us to distinguish between people that were relocated and those already living in the area before the removal policy. However, historic accounts document that camps were typically located on sparsely populated farm land (Green and Hirsch 1984) suggesting that results mainly capture effects on relocated people.

This paper adds to a small but growing literature on the origin of social capital. Nunn and Wantchekon (2011) find that the slave trade had a detrimental effect on economic development, partly by establishing a culture of mistrust in areas affected by the slave trade. They show that exposure to the slave trade in the 19th century led to lower levels of trust in relatives, neighbors, and the local government. The authors argue that historic incidents of people selling each other into slavery created norms of mistrust that persisted to modern days as they affected decision heuristics passed on to future generations. The concept of how historic shocks can lead to persistent changes in attitudes is formalized by Tabellini (2008) and Guiso et al. (2007) who show that a change in the external environment can alter the optimal set of values that parents transmit to their children. I address the question of whether effects on social capital persist by testing if people in homeland areas born after forced removals ended in the late 1970s also have different levels of trust. Results showing that the effect on cohorts are either the same or larger indicate that the removal policies had a persistent impact on affected communities.

This study also contributes to the broader literature on how (ethnic) diversity affects social capital. Ethnicity is playing a persistent and important role, especially in Sub-Saharan Africa (Michalopoulos and Papaioannou 2013, Alesina, Michalopoulos and Papaioannou, forthcoming). The probability of civil conflict is strongly correlated with the degree of ethnic fragmentation as reflected in continuous conflict outbreaks in countries like Kenya, Nigeria, Uganda and South Sudan (Horowitz 1985, Esteban and Ray 1999, Herbst 2001, Rohner, Thoenig, and Zilibotti 2012). Caselli and Coleman (2013) argue that ethnicity can serve as a device to prevent indiscriminate access to gains of the winning group and thus becomes particularly important in times of elections or revolutions. Results of these studies stand in contrast to my finding that levels of trust are substantially higher and crime rates are lower in resettlement areas. I document that despite the goal of creating ethnically homogenous homelands, former resettlement camp areas are more ethnically diverse (possibly because removing communities along ethnic lines was practically infeasible) and that ethnic fragmentation is positively correlated with measures of inter-ethnic trust *only* in resettlement communities.

In sum, results suggest that in the long-run, the exposure to a large inflow of people from different backgrounds increased understanding of and trust towards different groups, despite potential short-term conflict over resources. This interpretation is supported by recent (quasi-)experimental studies. Clingingsmith, Khwaja and Kremer (2009) find that participation in the Hajj pilgrimage increases the desire for peace and tolerance towards both Muslims and non-Muslims. The authors conclude that these effects are the result of the interactions with pilgrims from around the world during the Hajj. Along similar lines, Burns, Corno and La Ferrara (2015) report evidence from South Africa showing that

university students being randomly assigned to live with a roommate from a different race reduces racial prejudice. In line with these findings, the social psychology and sociology literature shows that ‘social proximity’ fosters a common identity, trust and cooperation (Putnam 2007). Life in resettlement camps reduced social distance and facilitated a new identity as ‘resettled people’: people lost their property and were assigned a standard size plot of land. They were not allowed to bring along cattle, which was not only a source of livelihood but also an important symbol of social status. The arbitrary assignment of plots in resettlement camps further facilitated the formation of networks across ethnic lines.

Last, while a small literature emerges that studies long-term effect of apartheid policies (Dinkelman 2013, Erikson 2014, Fourie and Mariotti 2014, De Kadt and Larreguy 2014, Bastos and Bottan 2014), this paper is to the best my knowledge the first study that quantifies the long-term effects of the forced removal of millions of people, an important historic event that is still center of the public debate due to its effects on land distribution in South Africa. It relates to a small literature on the socio-economic effects of large-scale removals of people. The majority of studies looked at the economic impact on areas where people were removed from including the effect of slave exports (Nunn 2008), Jews in Russia during World War II (Acemoglu, Hassan and Robinson 2011) and the 17th century expulsion of Spanish Muslims from the Iberian Peninsula (Chaney 2008, Chaney and Hornbeck 2013). Less is known about the effect of relocation in receiving areas. Osafo-Kwaako (2012) examines the relocation of Tanzanians to developmental villages over the period 1974 to 1982 and finds that these communities have greater availability of public goods and political participation of people, although levels of consumption are significantly lower. This paper is most closely related to Dippel (2014), who analyzes the resettlement of historically autonomous tribes to Native American reservations. He finds that forced integration decrease today’s income by 37% and argues that these effects are mainly driven by political infighting and resulting economic uncertainty. The consequences of what Dippel calls ‘forced coexistence’ warrants more research given that there are more than 20 million global refugees and an estimated 34 million internally displaced people (UNHRC 2015) whose integration in host communities often poses major challenges, as demonstrated by recent conflicts following the migration of Syrian refugees to Europe.

The rest of this paper is structured as follows. Section 2 reviews the historic context that led to the creation of the homeland system and describes aspects of apartheid policies that may have affected social capital. Section 3 discusses the data and empirical strategy. Section 4 reports results and Section 5 tests the robustness of findings. Section 6 discusses potential mechanisms and Section 7 concludes.

2 Historic Background

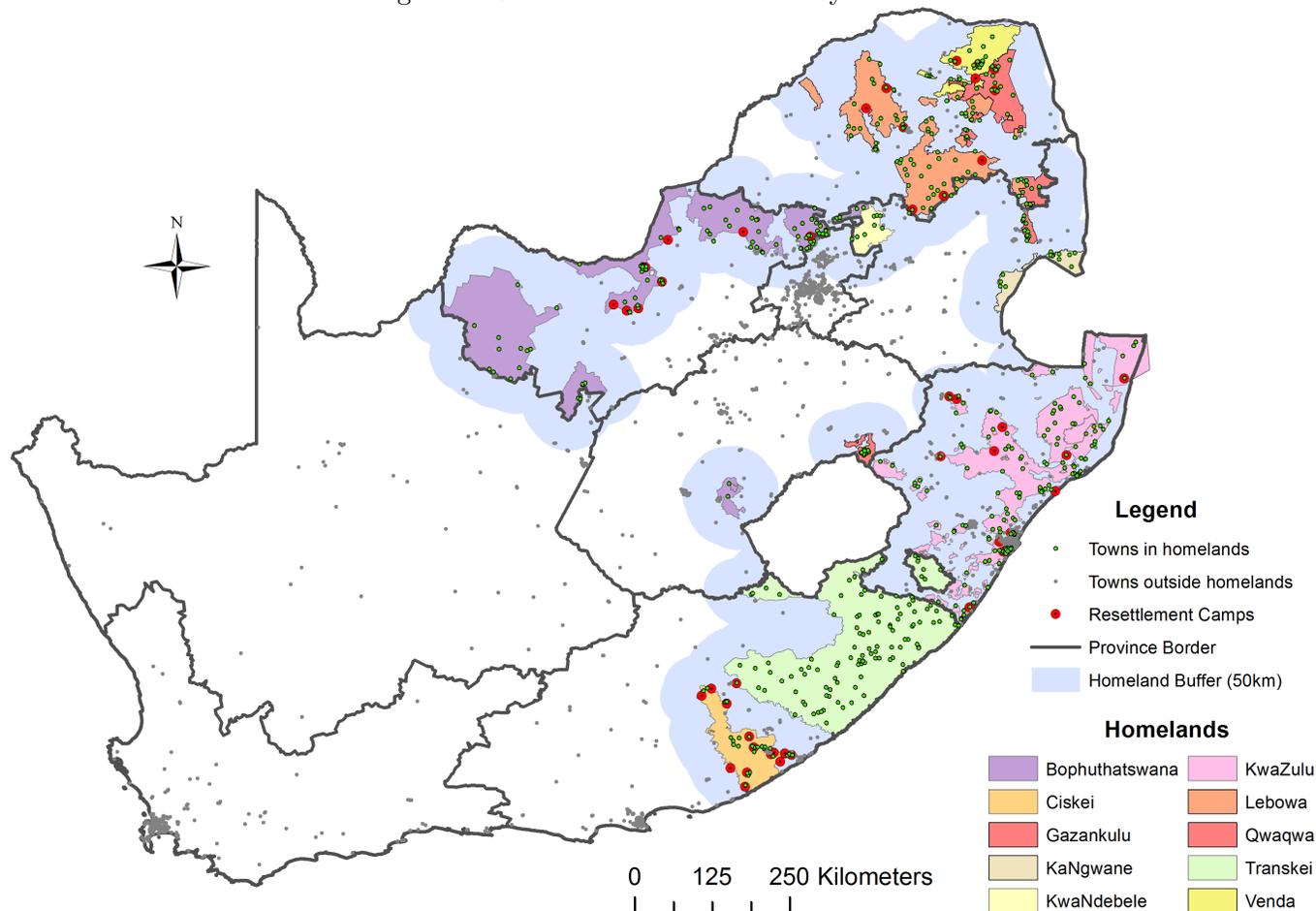
This section first describes the creation of the homeland system and provides details on the relocation policies (2.1). Next, it discusses two aspects of life in the homeland system that may have affected social trust and motivate the empirical analysis of this study: adverse living conditions in the resettlement communities (2.2) and the role of ethnic identity and inter-ethnic relationship (2.3).

2.1 Creation of the Homeland System

The apartheid system that South Africa’s Afrikaner-led National Party started to establish in 1948 pursued two main goals: sustaining political supremacy and promoting economic prosperity of the white minority that only made up about 20% of the total population. However, these two goals were based on an inherent tension: political supremacy required marginalizing the African majority while the integration of African workers was needed to satisfy industries’ growing demands for cheap labor (Wilson and Ramphela 1989: 208, Posel 2011). In particular, South Africa’s mineral-driven industrialization in

the first half of the 20th century increased demand for labor in cities, leading to growing African urban settlements. Whites feared that this would create a critical mass of urban workers and a wider African political mobilization that would threaten political stability.

Figure 1: South Africa's Bantustan System



This tension explains why the apartheid system was neither stable over time nor followed a linear development trajectory. Instead, the period from when the National Party came into power in 1948 to the first democratic national election in 1994 can be divided into different phases reflecting power shifts between purists favoring total segregation and pragmatists, who focused on economic development. For example, at least three developments led the apartheid regime to shift course and implement more segregationist policies throughout the 1950s. First, the National Party realized that the pragmatists' approach of regulating the movement of African labor through a labor bureau system failed to establish state control over the allocation of African workers (Posel 2011). Overcrowding and poverty on reserves assigned to Africans in the 1913 Land Act led to urban migration. As a result, the African urban population grew by 50% and political protest increased during the 1950s.³ Second, the government faced growing pressure from white farmers to remove Africans from their land. While this politically powerful group had previously relied on large numbers of unskilled workers, increased mechanization of agricultural production in the middle of the 20th century shifted demand to a smaller and more highly

³The Land Act of 1913 and the Native Land and Trust Act (1936) consolidated areas settled by white farmers and demarcated reserves for the African population. With only 13% of land assigned to Africans who comprised about 75% of the population, these reserves became sites of overcrowding and poverty leading to urban migration.

skilled workforce to operate the new machines and thus created labor surplus on farms (Platzky and Walker 1985, Natrass and Seekins 2011). Thirdly, in the context of decolonization of other parts in Africa, international opposition to apartheid’s racism increased.

As a result of these developments, the apartheid government passed legislation that formed the legal basis of the homeland or Bantustan system.⁴ The Bantu Authorities Act (1951) and Bantu Resettlement Act (1954) created ten separate ethnic homelands (see Figure 1): Transkei and Ciskei (Xhosa ethnicity), KwaZulu (Zulu), Bophuthatswana (Tswana), Venda (Venda), Gazankulu (Tsonga), Lebowa (Sotho), Qwaqwa (Sotho), KaNgwane (Swazi), and KwaNdebele (Sotho). The designated homelands present only small fragments of the ethnicity’s original territory. The highly contoured and fragmented shape of homeland territories (Moerdjik 1981), which were largely based on the native reserves demarcated in the Land Acts of 1913 and 1936, reflect that homeland borders were determined by the interests of white farmers and the location of mineral deposits rather than by historic tribal areas as claimed by the apartheid regime (Desmond 1971, Thompson 2001).

The Bantu Self-Government Act (1959) and Bantu Homeland Constitution Act (1971) established political separation of Bantustans: inhabitants became citizens of their respective homelands and were thus regarded as foreigners in South Africa (Kelk and Mulaudzi 2011). The regime justified these reforms adopting rhetoric of ‘*separate development*’ and claiming that these policies would grant self-determination to nations within the borders of their historic homeland.⁵ Apartheid propaganda thus tried to liken these reforms to the contemporaneous decolonization of European colonies in other parts of Africa (Thompson 2001). However, only four of the ten homelands (Transkei, Venda, Ciskei, Bophuthatswana) accepted ‘independence’ status between 1976 and 1981.

This system of ‘independent nations’ served as a justification for large scale removals of people.⁶ Especially in the 1960s and early 1970s, the government forcefully removed Africans from ‘white areas’ to homelands (as discussed in more detail below) and controlled the inflow of people into cities through a pass system. While exact statistics do not exist, most studies estimate that a total of at least 3.5 million people were removed to Bantustans over the next decades (SPP 1983, Unterhalter 1987). In sum, the Bantustan system can be regarded as an attempt to reach goals of both segregationists and pragmatists: exploit Africans through a regulated system of labor migration, but also to keep them separated, divided and politically weak (Platzky and Walker 1985).

2.2 Removal and Life in Resettlement Communities

As the apartheid regime envisioned homelands to serve as reserves of cheap labor, resettlement camps were often located in proximity of homeland borders. The government demarcated sparsely populated

⁴The Bantustan system was publicly denounced by the African opposition. Nelson Mandela declared that the homeland system’s “*main object is to create a huge army of migrant laborers, domiciled in rural locations in the reserves far away from the cities. . . . They hope they eventually depend for their livelihood entirely on wage earnings*” (cited in Rogers 1980, p58). As a complement to the Bantustan system, the Group Areas Act of 1950 aimed to create ethnically homogenous townships outside the cities and forcefully removed people according to their racial classification, as codified in the Population Registration Act of 1950.

⁵In an attempt to further divide the African population, the apartheid government abolished the Native Representative Council of representatives elected by Africans and shifted power to more conservative parts of the rural population, mainly to the some 250 traditional chiefs (Kelk and Mulaudzi 2011). However, while chiefs officially remained the ‘father of his people’, their actual competencies were limited. The real administrative authority was the magistrate, appointed by the South African government (Moerdjik 1981).

⁶This principle was reflected in a speech by the Minister of Bantu Administration: “*With regard to the presence of the Bantu in the white area it is the policy of the South African Government that every Bantu person within South Africa is a member of a specific national unit and is tied to his own homeland. For this reason the Bantu is only allowed to be in white area for the labour that he offers and the moment he no longer meets this condition the grounds for his presence in the white area are no longer valid*” (Spiess 1973, cited in Mare 1980).

areas of homelands for resettlement, often on old cattle-posts or farms (Desmond 1971: 50, Green and Hirsch 1983: 62). Camps filled up rapidly. The number of Bantustan towns increased from three in 1960 to 77 in 1970 (Unterhalter 1987). In the case of the Ciskei, several camps of 30,000 to 50,000 people ‘*sprang up virtually overnight*’ (Rogers 1980: 65, Thompson 2001). In most cases, only sites were laid out and no preparation of reception sites except the provision of tents or improvised shelter was made (Desmond 1970, Christopher 2001).

Removal policies followed a common pattern: first, communities received notifications about the impending eviction. In many cases, schools were closed, water supply cut off and bus services withdrawn. To coax people into moving ‘voluntarily’, promises were made about compensation and the availability of land, jobs and schools in the resettlement areas (Desmond 1971, Platzky and Walker 1985). Yet, many communities refused to vacate the land of their ancestors. In these cases, the government threatened people with imprisonment and sent bulldozers and a fleet of the infamous government garage (GG) trucks to destroy houses and transport people to resettlement sites. The infamous pass laws prevented escaping to cities and thus people ‘*found themselves with no option but to move into already overcrowded reserves*’ (Wilson and Ramphela 2009: 217). African villages were therefore typically relocated in their entirety.⁷

At resettlement camps, the reality differed from what people were promised. Living conditions and the provision of public services in resettlement camps were dismal (Desmond 1971, Horrell 1973, Mariotti 2011). Relocated people typically only received small plots of land, about 50 yard square, with a tin hut and latrine for which they needed to pay rent to local tribal authorities (Desmond 1971: 9, Platzky and Walker 1985: 235 ff., Green and Hirsch 1983). Important for the analysis of this paper, resettlements led to formation of new networks. Visiting relocation camps, Sharp and Spiegel (1985: 144) observed that ‘*arbitrary assignment to residential sites destroyed a range of existing relationships between people*’ and that many residents ‘*lost all contact with kin*’.

Due to the shortage of job opportunities and the fact that social grants were often not paid out in homelands, the survival of many families depended on subsistence farming. However, land ownership in most homeland areas was communal and local chiefs decided who could cultivate it (Sharp and Spiegel 1985, Mbaku 1991). Resettled people had little chance to obtain arable land, partly because land was scarce and relatively infertile⁸ and partly they were perceived by local people to ‘*have stolen their children’s land*’ (Green and Hirsch 1983: 83). The situation was exacerbated that people in resettlement camps were not allowed to own livestock except chickens (Desmond 1971). Due to the lack of economic opportunities, many men and women had to migrate for many months each year to work in the mining industry or as domestic workers.⁹ This weakened the core family and further increased the necessity to broaden the social support base to include relatives, neighbors and other community members.

In the case of Qwaqwa, locals started attacking the newcomers leading to ‘*endemic violence*’ (Rogers 1980). In other cases high crime rates were reported within resettlement camps where ‘*crime has become a plague, ravaging the community*’ (Wilson and Ramphela 1989: 155). The local police deemed it too

⁷Simkins (1983: 59-61) estimates that of the people removed from white farms, about 94% ended up in homelands

⁸The government-appointed Tomlinson Commission (1954) estimated that the homeland areas could sustain the livelihood of 1.8 million people (Timberlake 1994: 154). Between 1960 and 1970 alone, the total population of the Bantustans increased from 4 to about 6.9 million and continued to rise through the 1970s. Effects of the relocation policies were exacerbated by the fact that much of the Bantustan land was already relatively infertile due to top soil erosion even before the increase in population density. The reduction in yields after the resettlement risked the livelihood of many subsistence farmers. The total production of maize and sorghum, the most important crops for the subsistence economy, declined by 2.6% and 41.7% respectively between 1948 and 1968 (*Financial Mail*, 4.10.1968). Malnutrition became widespread and child mortality rates soared.

⁹The share of temporarily absent household members varied between 25% and 50% across homelands (Christopher 2001: 95).

dangerous to control certain areas of KwaZulu that were ruled by gangs living off stock theft (*The Star*, 2.10.1976). The prevalence of crime led to the erosion of social capital (Louw and Shaw 1997). Yet, the national government had little incentive to interfere. To the contrary, intra-homeland conflict could serve the apartheid cause.¹⁰ News about these faction fights within homelands was then used as prove the dysfunction and inferiority of the Bantu people and to stoke fear of Africans among whites.

At the same time, economic hardship and endemic crime appeared to have facilitated the formation of new relationships. Resettlement residents ‘*attempt to construct networks of neighbourliness for the purpose of giving and receiving and to express these relationship in the idiom of kinship*’ (Sharp and Spiegel 1985: 145). These broad networks helped to cope with uncertain and irregular income flows from remittances, especially since work opportunities were often on a short-term basis. Qualitative research from field work in the relocation camps shows that people often depended on informal networks of borrowing and support in the community (Platzky and Walker 1985: 363). This suggests that networks served as a form of insurance, as observed in other developing country contexts (Townsend 1994).

In sum, life in resettlement camps had elements of both cooperation and conflict. Adversity may have led to both conflict over scarce resources and the formation of new networks to cope with economic hardship. The ambiguous effect on social capital motivates the empirical investigation in this paper: I will test the long-term effects of removal on levels of trust towards people in the immediate and extended social network as well as on incidents of conflict.

2.3 Ethnic Identity and Inter-Ethnic Relations

Ethnic identity was a key component in South Africa’s apartheid system. Comprising a minority of only about 20% of the population in 1948, whites recognized early the potential threat of a united African opposition and the importance of actively managing ethnic and racial identities. As a reaction to nationalist movements in other African countries, the apartheid government issued a White Paper in 1959 stating that the “*Bantu [African] people of South Africa... do not constitute a homogenous people but form separate national units on the basis of language and culture*” (Rogers 1980: 63). The government’s stated goal was that “*soon there would be no more black South Africans*” (Information Minister Cornelius Mulder, cited in Platzky and Walker 1985: 67).

The Bantustan system divided people no longer along racial lines, but categorized the African population along far narrower ethnic lines.¹¹ In an effort to promote ethnic identity, particularities such as ‘tribalized’ coats of arms, flags, and other paraphernalia were reinstated or invented.¹² Another

¹⁰Desmond (1972) points out that: “*as the government sets up the screen of Bantu Authorities between itself and the people, the immediate symbols of apartheid in the Reserves will more and more be Africans. Violence directed against oppression will appear as internal tribal strife.*” The case of the town Msinga in KwaZulu is an example of how government actions often caused conflict within the homeland by allocating the best land in the area to villages that collaborated with the authorities.

¹¹The government official justification was that a separation across ethnic lines would secure peace. A 1955 government report explains: “*It is clear that a continuation of the policy of integration would intensify racial friction and animosity, and that the only alternative is to promote the establishment of separate communities in their own, separate territories where each will have the fullest opportunity for self-expression and development*”. The fragmentation into ten distinct ethnic tribes was controversial. Rogers (1980) argues that classification was loosely based on white’s anthropological findings, which followed an old-fashioned, racist approach based on differences in language and dialect. Ethnic groups were often formed along old divisions dating from pre-colonial times. Other ‘nations’ were created from “*loose groupings of chiefdoms and clans*” (Platzky and Walker 1985: 116). The KwaZulu homeland, for example, consisted of as many as 300 subtribes. Even Tomlinson (1954: 180), head of a government-appointed committee to investigate the situation of the homelands, concluded that the “*fragmentation pattern results in scattering and consequent incoherence between historically and ethnically related Bantus.*” Even in cases where the classification was correct, by the 1960s many Africans had mixed so that tribal lines had eroded.

¹²Peires (1995) describes a system of what he calls ‘pseudo-ethnicity’ in the Ciskei: “The central feature of Sebe’s new

strategy of the apartheid regime to foster ethnic division was to create disunity among the homelands. In various cases, land was re-assigned from uncooperative homelands, especially to those four that accepted ‘independence’ (Platzky and Walker 1985). Likewise, budget flows were redirected to homelands that cooperated with the apartheid regime.

Other factors may have facilitated inter-ethnic relationships. Efforts of the ANC and other opposition groups promoted solidarity among the oppressed people.¹³ In addition, the shared experience of resettlement may have facilitated a common identity that bridged ethnic cleavages within the African community. Last, the newly formed networks in resettlement communities could have increased contact and cooperation among people of different ethnic groups.

In sum, it is unclear whether the apartheid regime’s goal of creating inter-ethnic disunity succeeded. I will test whether the relocation of Africans into ethnic homelands had long-term effects on trust among ethnic groups and on whether South Africans adopted a predominantly national or ethnic identity.¹⁴

3 Data and Empirical Strategy

3.1 Data

It is unclear if the anecdotal accounts of how large inflows of people disrupting social peace and causing violent conflict were isolated incidents or reflected a general pattern. Also, it is unclear if spells of conflict were temporary phenomena that abated once new living arrangements were settled or whether the social fabric of these places was permanently changed. The challenge of empirically testing these questions is that the apartheid regime had no interest in collecting data on the exact number or relocated people or the dismal living conditions in the homelands as this would have tainted the picture of ‘separate development’ it aimed to project to the outside world (Demond 1971: 16). This lack of data may explain the dearth of studies that try to quantify the impact of the Bantustan system.

The most detailed data on the situation in the homelands was collected by the Surplus People Project (SPP). From 1980 to 1983, the SPP sent research teams to homelands to document violence and forced removal. While the accurateness and representativeness of the data is unclear, this is by far the most detailed information on the number of people removed and location of resettlement camps. In addition to conducting surveys, numerous case studies were compiled in the five volume SPP report published in 1983. Through extended field visits and inclusion of local people in the research project, the SPP was

Ciskei and nationalist ideology is the national shrine Ntaba kaNdoda, a somewhat overgrown foothill of the Amatole range ... The national shrine is the personal brainchild of the President, conceived during a visit to Mount Massada in Israel in 1977. Every self-respecting nation had something to worship ‘*In Egypt, it’s the Nile; in Kenya, it’s Mount Kenya; in India, it’s the cow; in America, it’s the national flag.*’ In Ciskei, it was Ntaba kaNdoda.”

¹³The ANC leadership recognized the risk that tribal conflict posed for the national movement. Govan Mbeki (1984) wrote in his book ‘South Africa: The Peasants’ Revolt’: “*South Africa is single multi-national society, integrated and inter-related. This is the reality which the apostles of apartheid seek to disclaim*”. In a statement to the UN, ANC President O.R. Tambo (1976) said that “*we will never abandon our birthright to the ownership and control of the whole territory of our country nor countenance any attempt to Balkanise it [South Africa], and to set its people one against another in tribal racial and national conflicts*”.

¹⁴While the question of whether Bantustan policies contributed to the violence at the time of the democratic transition that led to the death of thousands of people goes beyond the scope of this paper, it is noteworthy that this conflict was almost entirely between Xhosa and Zulu groups. What is more, Amodio and Chiovelli (2013) use data on the location of violent incidents and find that districts in which the ethnic composition diversified after the end of apartheid witnessed a steeper increase in violence. Many observers claimed that the apartheid regime used its ties to the mainly Zulu Inkatha Freedom Party (IFP), led by former KwaZulu homeland leader Buthelezi, to stir conflict. However, Horowitz (1991, p.74) points out that “*the fact that ethnic affiliations were available for manipulation or encouragement suggests that ethnic violence is not just the product of the state’s action in setting one group against another but reflects the continuing importance of ethnicity.*”

able to develop extensive contact with respondents, which enabled them to collect detailed accounts of communities’ experience and likely increased the quality of the data collected (Mazur 1985). However, to the best of my knowledge, data from the SPP has not been used in research on the (longer-term) effects of forced removal.

A second empirical challenge is how to measure social capital. Studies that measured social capital through membership in a voluntary association (Putnam 1993, Alesina and La Ferrara 2002) have been criticized on the ground that this narrow measure does not adequately capture more informal forms of social capital (Letki 2008). In particular, Fafchamps (2006) argues that generalized trust can make interactions through clubs *less* necessary. In this study, I therefore measure social capital as levels of trust towards different groups, (perceived) violence and attitudes towards the concept of a united country as these beliefs may affect “*cooperation among members of a community*” (Guiso et al. 2007).

For the first set of results, I use data on people’s level of trust towards other people, institutions, and ethnic groups collected in six waves of the Afrobarometer survey between 2000 and 2010¹⁵. Respondents can report the level of trust towards different groups as (i) not at all, (ii) just a little, (iii) somewhat or (iv) a lot. (Table A.2 reports the distribution of replies for the different measures of trust.) To use these variables in regression analyses, I follow Nunn and Wantchekon (2011) and transform responses to numeric values with ‘not at all’ responding to 0 and ‘a lot’ responding to 3.

3.2 Empirical Strategy

As discussed, to isolate the effect of the inflow of relocated people, I look at differences in levels of social capital *within* homelands which allows me to control for the distinct institutions, policies, and idiosyncratic shocks of each homeland. The SPP collected data on the exact location of 66 resettlement camps and estimates of the number of people relocated (see Figure 1, Figure A.1 for an example of an SPP map, and Table A.1 for a list of resettlement camps).¹⁶ Using geocoded data, I compute the distance of Afrobarometer respondents living in former homeland areas to the closest resettlement camp.¹⁷ I identify areas around these camps and compare these communities to others in the same homeland but further away from relocation camps. The empirical strategy I employ, akin to a geographic regression discontinuity design approach, is based on the premise that effects of forced removal should be larger in close proximity to resettlement camps.

Specifically, I draw a radius around resettlement camps. The diameter of the radius depends on the estimated number of people that were resettled to a given camp. For the main specifications, I assume a population density of 150 people per square kilometer; a resettlement camp of 10,000 people would thus

¹⁵Afrobarometer is an independent, nonpartisan research project that measures the social, political and economic atmosphere in more than a dozen African countries. The survey asks a standardized set of questions that allows a cross-country comparison. However, I will only use the repeated cross-sectional data from South Africa. About every two years, a clustered, stratified, multi-stage probability sample design is used to identify a representative sample of 2400 citizens of voting age. A starting point is randomly selected in each primary sampling unit (PSU) and four households are included in the sample using walk patterns and selecting the 10th household. Respondents are asked about 100 questions, some of which may change between surveys.

¹⁶In total, I use data for 66 resettlement camps located in the Ciskei, KwaZulu, Gazankulu, Venda, Lebowa, and Bophuthatswana homelands. For most sites, SPP recorded how many people were removed to each location. I exclude locations with less than 1,000 removed people. No information is provided on the number of people relocated for resettlements in KwaZulu-Natal. The areas with information on the size resettlement locations comprise about 40% of the total homeland populations. The aggregate number of people removed to relocation camps in these areas is 1,080,000. Under the assumption that the extent of removals was similar in homelands areas without detailed accounts of numbers relocated, the SPP resettlement camp data would capture about 78% of the total number of the approximately 3.5 million people displaced by the time of the SPP fieldwork.

¹⁷I was able to successfully geo-code 92% of the Afrobarometer data, which provides location data of respondents at the town or suburb level.

Table 1: Balance Test of Treatment and Control Areas

	Resettlement Camp vs. Rest of Homeland		
	Camp (N=668)	Camp Buffer (N=1312)	Diff (p-value)
Black	.973	.97	.84
Education (yr)	3.95	3.92	.705
Age	38.1	35.9	.023**
Male	.395	.454	.037**
Religious	.399	.381	.578
Employed	.276	.32	.204
Radio	.767	.747	.511
Tv	.674	.618	.109
Car	.12	.15	.163
Cellphone	.88	.905	.601
Ward Population	8175	6434	.122
Population density	1.378	.439	.009**
Pop. growth rate, annual ('91-'11)	1.66%	1.77%	0.820
Pop. growth rate, African annual ('91-'11)	1.71%	1.84%	0.808
Distance City (km)	122.1	147.4	.666
Distance Border (km)	4.383	5.219	.779

Note: Table compares sample in treatment areas (resettlement camp) to control area (buffer around camps). P-values reported from test of equal means. Data on population (growth) is from the South African census.

have a ‘treatment’ area with a radius of 4.6 kilometers. Camps for which I do not have estimates on the number of resettled people get the average radius of other camps assigned. The variable $nearcamp_i$ is a dummy for whether a person lives within this radius and in a former homeland. To account for the fact that the SPP did not conduct field work in each of the homelands and that some areas in more fragmented homelands like Bophutatswana did not have any resettlement camps (see Figure 1), I restrict the control group to areas in former homelands located within a certain distance (60km in the main specification) to the camps.

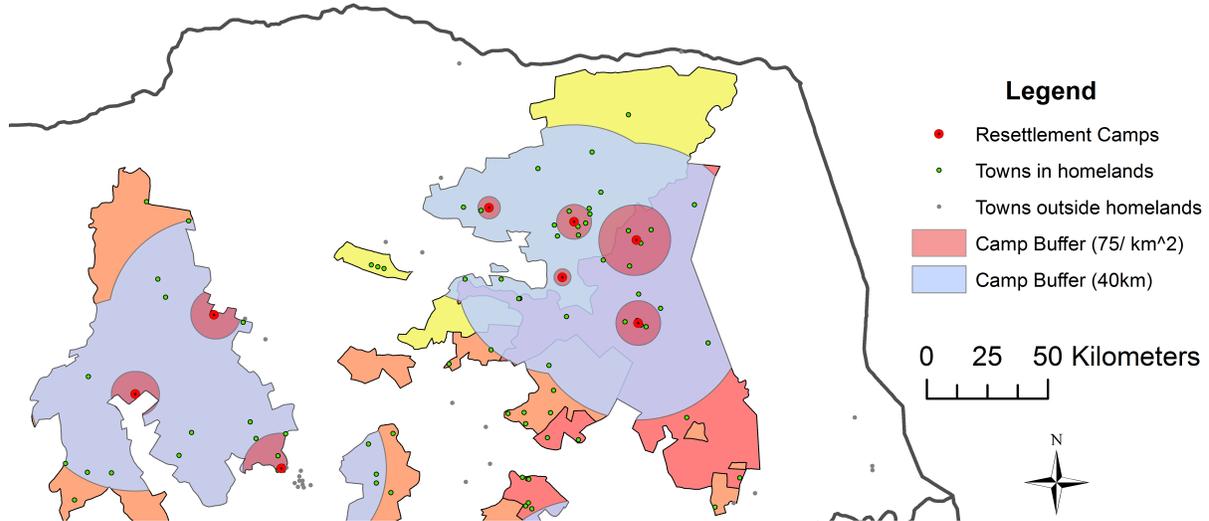
Equation 1 shows the corresponding econometric specification:

$$y_{ijt} = \alpha + \beta nearcamp_i + \delta homeland_h + \gamma X_i + ethn_j + \lambda_t + e_i \quad (1)$$

The level of social capital (y_{ijt}) of individual i of ethnicity j surveyed at time t is regressed on an indicator variable for whether the person is living near a former resettlement camp ($nearcamp_i$). $homeland_h$ is a set of indicator variables for each of the ten homelands. The variable $ethn_j$ is a set of ethnicity dummies.¹⁸ λ_t is a set of survey year dummies to control for secular time trends. Standard errors are clustered at the district level to account for correlation of location specific shocks. (Results are robust to clustering at a higher level, as shown in Table 7.) One concern with this analysis is that people in the comparison areas may differ in their levels of social capital uncorrelated to the removal policies. Indeed, Table 1 shows that while resettlement and comparison areas are balanced across measures of education and economic outcomes like assets and employment, the population near former resettlement

¹⁸I follow Amodio and Chiovelli (2012) and categorize ethnicity according to which of South Africa’s eleven official languages the respondent speaks at home. This addresses the concern that official racial classifications may be endogenous to government policies (Alesina and La Ferrara 2005).

Figure 2: Resettlement Camp Analysis



Note: The map (showing the north-east part of South Africa) visualizes the within homeland analysis.

camps is more densely populated, on average older and has a higher share of women. As a first pass, I address this problem by including specifications with individual control variables (X)¹⁹ and a dummy for whether respondents live in an urban area.²⁰ (Section 5 reports results of a placebo test to see if contemporary differences in community characteristics and in particular population density can explain results.)

The coefficient of interest (β) is thus estimated from variation in the location of individuals of the same gender, age, education, wealth, ethnicity, living in the same former homeland and province surveyed in the same year. It effectively tests whether levels of social capital differ in communities that were most affected by in-migration. Since the data does not have information on whether a person was actually relocated, estimates should be interpreted as the effects of relocation on the community, i.e. on both removed people and those previously residing in the relocation camp areas. Figure 2 depicts this estimation strategy visually: specification (1) in effect compares levels of social capital of respondents in former homelands in the red zones around the camps to those of respondents in the blue buffer zone. A second specification estimates equation 1 with distance (and squared distance) from the closest resettlement as a continuous treatment measure.

Persistence: To learn about the persistence of effects, I conduct subgroup analyses for different age groups. If the Bantustan policies only affected people that actually experienced the resettlement, we would expect to find a larger effect for those that were alive during the height of the forced removal of the 1960s and 1970s. If, on the other hand, effects persisted, we would not expect to find significant differences in social capital for those not yet born or very young at the time of the Bantustan policies. Comparing how effects differed by age may also shed light on what channels can explain effects since

¹⁹It is unclear if covariates like wealth should be included since they may be directly affected by the removal policies. I will therefore test whether results are sensitive to including these variables.

²⁰This addresses the concern that estimates may measure the difference between levels of trust between more and less densely populated areas as community cohesion is often believed to be larger in rural areas. However, recent data from the National Income Dynamic Survey (NIDS) shows that levels of trust towards both strangers and neighbors are almost identical in urban and rural areas. In the 2008 NIDS survey, 84.6% of respondents in rural areas think it is not likely or somewhat likely that a neighbor would return a lost wallet compared to 84.5% in urban areas. Likewise, only 11.7% in rural and 11.3% in urban areas think it is very or somewhat likely that a stranger would return the lost wallet (NIDS 2010).

groups were exposed to different ‘treatments’: while both groups grew up in the same communities only the older cohorts experienced the relocation and the environment in newly established resettlement camps.

To explore these questions, I estimate regressions with a dummy variable for whether people were born after 1975 (37% of sample) and an interaction term of this dummy with the $nearcamp_i$ dummy. If effects of the removal policies persist in the resettlement areas, we would expect σ to be insignificant.

$$y_{ijt} = \alpha + \beta nearcamp_i + \delta after75 + \sigma nearcamp_i * after75 + \gamma X_i + ethn_j + \lambda_t + e_i \quad (2)$$

3.3 Identification Assumptions

Migration: The identification strategy (Specification 1) relies on the assumption that there are no differences in migration between resettlement and other homeland areas after mobility restrictions were lifted as migration decisions may be correlated with levels of social capital. While Afrobarometer does not collect data on whether people moved, evidence from historic census data supports this assumption. First, the 1996 census collects data on whether people moved and, if so, what year and from what district they migrated. Table A.3 compares observable characteristics of people migrating out of resettlement camp areas and other homeland areas between 1986 and 1996. Of six socio-demographic characteristics collected in the census, only differences in education levels are different at (marginally) significant levels.²¹ Second, I use census data from 1996 to 2011 to compare population growth rates between areas. I find that resettlement and comparison homeland areas have almost identical rates of population growth (annual rate of 1.66% vs. 1.72%, p-value=0.82, see Table 1).²²

A second assumption related to migration is that relocated people stayed in resettlement camp areas and did not move to different parts of the homelands. Whilst there is no data on within homeland relocation, there is evidence that within homeland migration was restricted. While living conditions were dismal, the apartheid regime often provided resettled people with a small plot of land in relocation camps but restricted free movement within homelands under the ‘betterment planning’ policies (Platzky and Walker 1985).²³ Christopher (2001) further points out that resettled people lacked the political clout and connection to tribal leaders to gain access to land outside the resettlement areas. Even if there was migration out of resettlement areas, this would attenuate my estimates unless migrants differed in their levels of social capital.

Pre-removal differences in social capital: The empirical strategy also makes assumptions on pre-removal levels of social capital. First, it assumes that relocation areas did not already have different levels of trust before resettlement. While I cannot test this assumption, it seems unlikely that the apartheid regime would have chosen places based on the level of social capital. However, factors that determined the location of resettlement sites may still be correlated with outcomes of interest. To assess if the location of resettlement camps is driving the results, Section 5 tests how sensitive estimates are to controlling for various geographical measures. Second, the identification assumption assumes that Africans who were removed had similar initial levels of trust than those residing in parts of homelands

²¹In addition, previous research documents that there was no large scale exodus from homelands after apartheid ended: Dinkelman (forthcoming) estimates that even after mobility restrictions were lifted, only 0.4% to 0.6% of the homeland adult population migrated each year and Posel (2010) shows that most of the outmigration was temporary.

²²These numbers are computed by taking the average growth rate of the 88 treatment wards and 200 control wards. Census data also shows that the growth differences between treatment and control area are balanced by gender. This indirectly addresses the concern that same growth rates may mask that one area had higher population growth while the other area lost a higher share to migration, as men in South Africa are more likely to engage in labor migration.

²³Under better policies the government designated areas within homelands into distance zones for residential, arable, and grazing usage in order to control land-use more tightly.

used as control areas. There is suggestive evidence that this assumption is plausible. Data from SPP on resettlement flows shows that the vast majority of people were relocated from areas close to homelands.²⁴ The most direct evidence that effects are not driven by differences in social capital *before* the removals is that we see larger effects on social capital for the generation born *after* the removal that grew up in the resettlement communities.

While the evidence provided in this section and in the robustness section supports the validity of the identification assumptions, it is important to emphasize that tests (e.g. of selective migration) remain inconclusive with the historic data available. This is a caveat for the interpretation of results presented in the next section.

4 Results

This section reports results on community cohesion and conflict (4.1) and inter-ethnic trust (4.2). The empirical tests will have a common structure (Table 3 through 5): Panel A reports estimates of the effect of living close to resettlement camp (*Camp*) as specified in (1). To test for persistence of effects I estimate specification (2) which includes a term of living near a resettlement camp interacted with a dummy for being born after 1975.²⁵ To test for robustness, Panel B re-estimates specifications (1) with a continuous measure of distance to the closest resettlement camp. Panel B also reports estimates controlling for the squared distance to camps to test for non-linearities.

4.1 Trust and Conflict

Table 2 reports the effect of living in a resettlement camp area on levels of trust towards relatives, neighbors, and people in general. Estimates suggest that people living in these areas are more trusting towards their relatives (1), neighbors (3) and people in general (5). These results are confirmed by the negative correlation between distance to resettlement camps and measures of trust (Panel B).²⁶ The large coefficient on the squared distance further implicates that the relationship between trust and distance to location camps is nonlinear with levels of trust changing most quickly in close proximity to camps.

Testing for heterogeneous treatment effects by age, I find that none of the interaction term coefficients are statistically significant (2, 4, 6). This suggests that the effect of living near a former resettlement

²⁴Estimates suggest that only about 20% of relocated people were resettled from urban areas.

²⁵One may also be interested in the question how current levels of social capital vary between former homeland and other areas. Table A.4 in the Appendix reports findings of a comparison of people in former homelands to those living within a 50km buffer zone outside homelands (see Figure 1). The regression model has a similar specification to the within homeland analysis with the coefficient β capturing the difference in social capital for people living in former homelands (*BA*): $y_{ijt} = \alpha + \beta BA_i + \gamma X_i + ethn_j + \lambda_t + prov_p + e_i$. Even if the identification assumption is plausible that the selection of relocated people was exogenous, any effects would need to be interpreted as reduced form estimates of living in homelands rather than the effects of relocation. Distinct tribal institutions or being exposed to policies of a particular homeland leadership may have had affected social capital levels regardless of the extent of removals. In particular, a deterioration of political and legal institutions may have created a general culture of lawlessness leading to lower levels of trust (Nunn and Wantchekon 2011). In addition, de Kadt and Larreguy (forthcoming) show that there are still large socio-economic differences along homeland borders.

²⁶Wave 5 of Afrobarometer also asks about trust towards 'other South Africans'. Interestingly, respondents near former resettlement camps report lower trust towards other South Africans (coefficient: -0.084, s.e.: 0.178, control mean: 1.131). This seemingly contradictory finding may reflect that respondents think of 'people in general' as those they encounter in their daily life whereas 'other South Africans' may invoke images of people living further away or possibly members of other racial groups. Two caveats for this comparison is that due to the limited sample size, I cannot reject that the coefficients are equal. In addition, in the year of survey wave 5 (2006), reported levels of trust were lower than in other years across different trust measures.

Table 2: Effect of Resettlement on Levels of Trust

<i>Do you trust...</i>	<i>Relatives</i>		<i>Neighbors</i>		<i>People in General</i>	
	(1)	(2)	(3)	(4)	(5)	(6)
Panel A: Binary Proximity Measure						
Camp	0.206*** (0.076)	0.169* (0.096)	0.129 (0.081)	0.146 (0.093)	0.077** (0.038)	0.049 (0.045)
Camp x after 1975		-0.046 (0.105)		-0.100 (0.119)		0.042 (0.055)
Born after 1975		-0.031 (0.112)		0.157 (0.118)		-0.090 (0.058)
R^2	0.063	0.055	0.058	0.056	0.072	0.073
N	1419	1419	1444	1444	1012	1012
Control Mean	2.019	2.019	1.428	1.428	0.196	0.196
Panel B: Continuous Proximity Measure						
	(7)	(8)	(9)	(10)	(11)	(12)
Distance Camp (km)	-0.004* (0.002)	-0.013* (0.007)	-0.002 (0.002)	-0.019** (0.008)	-0.001 (0.001)	-0.010*** (0.004)
Distance ² (/1000)		0.167 (0.132)		0.294** (0.142)		0.162** (0.065)
R^2	0.061	0.062	0.057	0.062	0.068	0.078
N	1419	1419	1444	1444	1012	1012

Note: Robust standard errors (clustered at town level) in parentheses. Significance levels: *0.10, **0.05, ***0.01.

Results are from OLS Regression with Level of Trust (0=not at all to 4=a lot) as dependent variable. Trust towards people in general is measured by asking respondents “*Generally speaking, would you say that most people can be trusted?*” (1=yes,0=no). All regressions control for age, gender, living in urban area, employment, and an asset index as well as province and survey wave fixed effects (coefficients not reported). Columns (1, 3, 5, 6) use distance to the nearest resettlement camp is computed in ArcGIS based from the Surplus People Project (SPP). Columns (2, 4, 6, 8) interact the near camp dummy with a dummy indicating whether the respondent was born after 1975. The sample is limited to observations in former homelands living within 60km of a camp. All regressions include dummies for each of the ten homelands.

camp does not depend on the respondents age. Keeping in mind the caveat that subgroup analyses reduce the sample size and thus the precision of estimates, these findings provide some evidence that effects do not depend on actually experiencing the removal policies. One interpretation consistent with existing theories (Tabellini 2008, Nunn and Wantchekon 2011) is that the removal experience changed the values that parents passed on to their children. An alternative interpretation is that the circumstances in homeland communities that led to an increase in social capital did not change substantially even after removals ended, a point I will discuss in Section 6.

In sum, results suggest that there is substantial systematic variation in trust within former homelands. In areas near resettlement camps people are *more* trusting towards relatives, neighbors and people in general. This is surprising as poverty and the general lack of resources in homelands were intensified by the overpopulation in relocation sites. Two possible explanations for these finding are that the experience of relocation more than three decades ago permanently increased social capital for those living in resettlement areas *despite* a lack of social improvement in the communities. On the other hand, higher levels of social capital may have translated into actual social improvements. To shed some light on which mechanism is at play, I next test whether perceived and actual crime levels are higher in former Bantustans and if they vary within homelands.

Table 3: Effect of Resettlement on Crime and Violence

	Fear of Crime		Incidences Theft		Incidences Physical Violence	
Panel A: Binary Proximity Measure						
	(1)	(2)	(3)	(4)	(5)	(6)
Camp	-0.040 (0.111)	0.151 (0.134)	-0.057 (0.061)	-0.037 (0.074)	-0.092* (0.051)	-0.094 (0.065)
Camp x after 1975		-0.413*** (0.159)		-0.095 (0.099)		-0.025 (0.073)
Born after 1975		0.160 (0.159)		-0.027 (0.094)		0.020 (0.088)
R^2	0.058	0.062	0.043	0.041	0.039	0.038
N	1301	1301	1654	1654	1653	1653
Control Mean	1.210	1.210	0.521	0.521	0.302	0.302
Panel B: Continuous Proximity Measure						
	(7)	(8)	(9)	(10)	(11)	(12)
Distance Camp (km)	0.006** (0.003)	-0.002 (0.009)	0.004** (0.002)	-0.001 (0.005)	0.004** (0.002)	-0.001 (0.005)
Distance ² (/1000)		0.151 (0.155)		0.082 (0.097)		0.091 (0.085)
R^2	0.064	0.065	0.046	0.047	0.044	0.045
N	1301	1301	1654	1654	1653	1653

Note: Results are from OLS Regression. Robust clustered standard errors in parentheses.

All regressions control for age, gender, living in urban area, employment, and an asset index as well as province and survey wave fixed effects (coefficients not reported). Outcomes measure (0=Never, 3=Three or more times): *Over the past year, how often have you or anyone in your family (i) feared crime in your own home? (ii) had something stolen from your house (iii) been physically attacked?*

Significance levels: *0.10, **0.05, ***0.01.

Table 3 reports results on whether people feared crime at home and the frequency with which they experienced theft or physical violence (0=never through 3=at least three times). Estimates draw a consistent picture across these three outcomes. People in former resettlement camp areas are both less afraid of crime and experience less theft and violence compared to those living in other parts of former homelands (1, 3, 5, 7, 9, 11). Coefficients are statistically significant for physical violence in Panel A and across all measures in Panel B. Effects on actual violence are sizable in magnitude with coefficients 11% and 30% of the control mean for measures of theft (3) and physical violence (5), respectively. Findings thus suggest that the higher levels of social capital in former resettlement camps coincide with reduced crime, despite the fact that crime tends to be higher in urban areas. Looking at different age groups, I find that incidences of theft and violent crime do not vary by age (4, 6). An interesting pattern emerges when we compare perceived threat of crime between younger and older people living near former camps: those born before 1975 are more afraid of crime while younger people fear crime much less compared to people in same age cohorts living further away from camps (2). One interpretation of this finding is that experiencing the events of forced removal had a traumatizing effect with long-term effects on the perception of safety despite actual improvements in security.

4.2 Inter- vs. Inter-Ethnic Trust

If the apartheid strategy of dividing the black population by creating ethnically homogeneous communities succeeded, we may expect people growing up in resettlement communities to trust their own ethnic

group more and other ethnic groups less. Results in Table 4.2 show that within Bantustans, people indeed trust members of their own ethnicity about 14% more in former resettlement areas (1, 7). At first glance, one may interpret the fact that those most affected by the resettlements have higher level of intra-ethnic trust as evidence that apartheid’s identity politics succeeded in facilitating trust within ethnic groups. However, results in column (3) show that there are even larger positive effects with regard to trust towards *different* ethnicities: people living in former resettlement areas trust members from other ethnic groups about 22% more than those living in other homeland areas (3). Interestingly, I find that this increase in inter-ethnic trust is driven by cohorts born after the height of removals (4). In sum, results suggest that the removal increased inter-ethnic trust and solidarity. I will discuss possible explanations for this finding in Section 6.2.

I next explore whether effects of living in a resettlement camp area differed between members of ethnic majorities and ethnic minorities. I add to specification 1 a dummy variable measuring whether a person is part of the ethnic minority in their former homeland area (43%) and an interaction term of living in a resettlement camp area and being a member of the ethnic minority. Results reported in Table A.5 provide suggestive evidence that treatment effects on measures of intra- and inter-ethnic trust are larger for members of the ethnic minorities. Treatment estimates for ethnic minorities are twice as large for intra-ethnic trust (9) and more than three times as large for measures of inter-ethnic trust (10). However, these estimates are estimated imprecisely and are only marginally statistically significant (p-value=0.124).

Table 4: Effect of Resettlement on Inter-group Trust and National Identity

	<i>Trust OWN ETHNIC</i>		<i>Trust OTHER ETHNIC</i>		<i>UNITED South Africa</i>	
Panel A: Binary Proximity Measure						
	(1)	(2)	(3)	(4)	(5)	(6)
Camp	0.195*	0.091	0.259**	0.053	0.057	-0.022
	(0.105)	(0.134)	(0.105)	(0.137)	(0.075)	(0.088)
Camp x after 1975		0.230		0.391**		0.130
		(0.189)		(0.188)		(0.096)
Born after 1975		-0.018		-0.191		-0.045
		(0.178)		(0.191)		(0.108)
R^2	0.129	0.132	0.120	0.124	0.082	0.080
N	683	683	678	678	1638	1638
Control Mean	1.42	1.42	1.19	1.19	3.09	3.09
Panel B: Continuous Proximity Measure						
	(7)	(8)	(9)	(10)	(11)	(12)
Distance Camp (km)	-0.005*	-0.018*	-0.007**	-0.014	-0.005***	0.009
	(0.003)	(0.010)	(0.003)	(0.010)	(0.002)	(0.006)
Distance ² (/1000)		0.242		0.129		-0.256**
		(0.180)		(0.185)		(0.110)
R^2	0.129	0.133	0.120	0.121	0.087	0.091
N	683	683	678	678	1638	1638

Note: Results are from OLS Regression. The top panel uses Level of Trust (0=not at all to 4=a lot) as dependent variable. All regressions control for age, gender, employment, and an asset index as well as province and survey wave fixed effects (coefficients not reported). The variable “United South Africa” is measured whether respondents agree (0=strongly disagree, 4=strongly agree) with the following statements: “*It is desirable to create one united South African nation out of all the different groups who live in this country.*” Standard errors in parentheses. Significance levels: *0.10, **0.05, ***0.01.

As described in Section 2.3, a second strategy to create disunity within the black opposition was to foster ethnic identity through the promotion of tribal rituals, institutions, and customs. I investigate whether this resulted in less support for the idea of a united nation. This outcome can be regarded as a form of social capital as desire for a united nation arguably facilitate cooperation among members of a community, especially among those that are not part of the same immediate social network. Results in Table 4.2 show that people in regions close to former resettlement camps tend to have more support for the idea of a united country (5, 11). However, the differences are not large in magnitude and only statistically significant in the specification using the continuous proximity measure.

5 Robustness

5.1 Location of Camps

A concern with the identification strategy is that the location of resettlement camps was not random. As confirmed by Figure 1, these sites tended to be near homeland borders. People living in closer proximity to non-homeland cities may have different levels of social capital compared to communities at the center of Bantustans. Figure A.2 assesses how measures of social capital vary throughout the country by geographically interpolating data from the Afrobarometer survey.²⁷ The maps on the different social capital outcomes do not suggest that there is a clear pattern of spatial variation within homelands. For measures like trust towards neighbors it seems that levels are higher within centers of homelands whereas trust towards people in general appears higher in border areas of Bantustans.

To formally test how sensitive results are to controlling for the location within homelands, Table 5 conducts several robustness tests. Column 1 reports previous results of main specification (1). Column 2 controls for the distance of respondents to the homeland border. All results remain significant suggesting that the geographic location is not driving the effects of resettlement camps. A related concern is that resettlement sites were often located in proximity to large cities to facilitate commuting of workers. This proximity may have affected social capital through interactions *outside* the homeland areas. To test this possibility, Column 3 controls for the distance to the nearest city with a population of at least 200,000. Results are robust to this specification. To further test the sensitivity of results to the location of homelands, Column 4 controls for the longitude and latitude of places as well as their squared values. Coefficients remain relatively stable, but are estimates less precisely.

The concept of industrial centers in or adjacent to Bantustans referred to as ‘growth points’ formed the cornerstone of apartheid’s industrial policy (Geyer 1989, Kerby 2014). The goal of this industrial decentralization was to counter urban migration of Africans. As resettlement camps tended to be located in proximity to these zones, one may be concerned that results capture the effect of living close to an industrial area. The South African statistical yearbook (1982) provides information on the location of growth points. Regressions in Column 5 control for the distance of respondents to the closest growth point. The fact that coefficients remain stable and statistically significant provides some evidence against the hypothesis that interaction at the workplace in these industrial zones was a main driver of developing social capital.

²⁷The map is created uses the kriging method, an interpolation technique, in which surrounding data is weighted to predict values for unmeasured locations. The weights are based on the distance between measured points, the prediction location, and the arrangement among measured points. Intrapolations are more reliable for areas of South Africa in which there are many observations.

Table 5: Robustness Test: Proximity to Resettlement Camps

	(1)	(2)	(3)	(4)	(5)
	main results	dist. border	dist. city	long/latit.	dist. industry
Trust Relatives	0.206*** (0.076)	0.207*** (0.076)	0.208*** (0.076)	0.198*** (0.075)	0.206*** (0.076)
Trust Neighbors	0.129 (0.081)	0.135* (0.080)	0.130 (0.082)	0.121 (0.083)	0.129 (0.081)
Trust People	0.077** (0.038)	0.078** (0.038)	0.077** (0.038)	0.063 (0.040)	0.075* (0.039)
Trust own Ethnicity	0.195* (0.105)	0.201* (0.102)	0.159 (0.100)	0.168 (0.109)	0.192* (0.105)
Trust diff. Ethnicity	0.259** (0.105)	0.266*** (0.102)	0.217** (0.105)	0.221* (0.115)	0.259** (0.105)

Note: Robust clustered standard errors. Significance levels: *0.10, **0.05, ***0.01.

All regressions control for age, age square gender, living in urban area, religion, employment, and an asset index as well as province and survey wave fixed effects (coefficients not reported).

Column 1 reports results of estimate equation (1) with homeland fixed effects.

Column 2 controls for the distance of respondents to the homeland border. Column 3 controls for the distance to the nearest city with a population of at least 200,000. Column 4 controls for the logitude and latitude of place as well as their squared values the square.

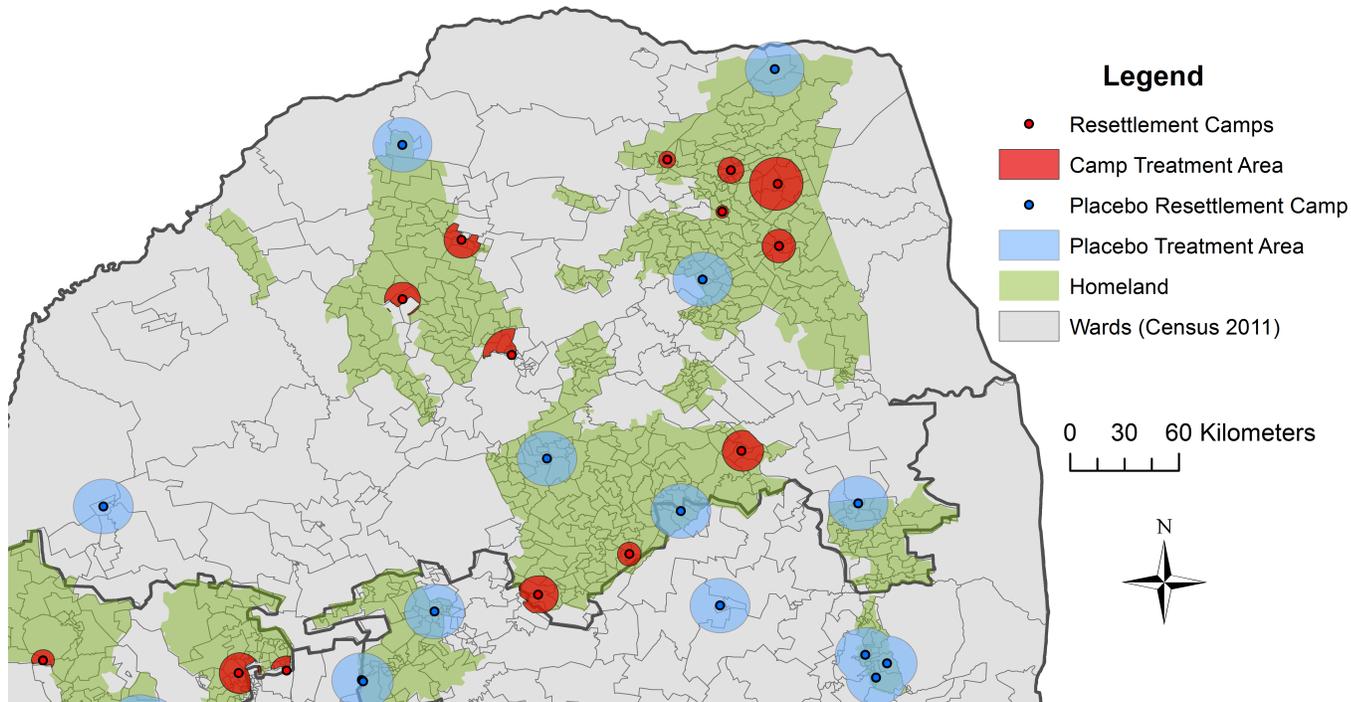
5.2 Placebo Resettlement Camps

The previous analysis showed that resettlement camp areas are more densely populated. In addition, a slightly larger share of my sample in these areas and older (Table 1). While I control for demographic differences in the empirical analysis, controlling for population density is problematic since it is a direct outcome of the resettlement policies (Angrist and Pischke 2009). Concerns thus remain that the differences in social capital are the effect of unobservable differences between treatment and control areas. To address this concern, I use 2011 census data on the population of South Africa's 4,278 wards to identify areas that are similar to resettlement camp areas. Specifically, I employ Mahalanobis distance matching to identify the wards that are most similar in terms of population density, ethnic fragmentation, and age composition. I then re-estimate model (1) using the centroid of these matched wards as the location of placebo resettlement camps (see Figure 3).

Table 6 summarizes results of this placebo test for the main social capital outcomes. Panel A reports the results of the previous analysis against which I compare placebo estimates. Panel B uses matches from both non-homeland and homeland areas (excluding the original treatment sample and the more urban Gauteng and Western Cape provinces). I report regression estimates using both the binary treatment variable (equation 1)²⁸ and the distance from the camp as a continuous treatment variable. Results show that most of the placebo coefficients are close to zero and insignificant. The only significant effect (column 1) is of the opposite sign than the main effect. The last row reports p-values of an F-test that tests if the main and placebo coefficients (of the binary treatment variable) are equal. Results show that we can reject this hypothesis for all but one outcome at significant levels, which lends support to the interpretation that the original findings are the result of resettlements rather than differences community characteristics. Results for this placebo test are qualitatively similar when I restrict placebo camps to wards outside of homelands (Panel C).

²⁸For placebo treatment camps I use the average radius of resettlement camps (10km) to identify the placebo treatment area.

Figure 3: Placebo Camp Analysis



5.3 Spatial correlation and estimation specification

Social capital outcomes like trust are likely to be spatially correlated. For example, local events like crime may affect levels of trust in a community. Failing to address this correlation in the empirical analysis would overestimate the precision of estimates and thus risks false rejections of the null hypotheses. Acknowledging that levels of social capital may be correlated beyond the city level, I allow for clustering in the error covariance matrix at the district level in the previous analysis. However, it is plausible that outcomes are affected by policies at the homeland or province level which would require clustering standard errors at a more aggregate level. As it is difficult to identify the correct aggregation level (Cameron and Miller 2011), I test how robust results are to using different levels of clustering. Given the small number of province and homeland clusters, I employ bootstrap procedures to estimate standard errors at these levels (Cameron, Gelbach, and Miller 2008). Table 7 shows that while standard errors tend to increase at higher aggregation levels, almost all of the estimates remain significant.

The estimation model controls for a covariate vector that includes the gender, age, education level and employment status of respondents. One may be concerned that the latter variables may themselves be affected by the removal policies. This would be an example of what Angrist and Pischke (2009) refer to as ‘bad control’ which would bias treatment effect estimates. Results (not reported) show that all coefficients remain significant and qualitatively identical when I estimate equation 1 without the control variate vector X . Results (not reported) show that findings are also robust to using alternative econometric model that maintains the qualitative nature of the outcome measures and estimates equation 1 with an ordered probit model. Last, to test how sensitive results are to using different measures of exposure of communities to resettlement, I vary the extent of the treatment and control group. Results (not reported) show that using a population density of 75 people per square mile to compute the treatment radius does not qualitatively change the results.

Table 6: Placebo Test

	(1)	(2)	(3)	(4)	(5)
Do you trust...	Relatives	Neighbors	People General	Different Ethn.	Own Ethn.
A. Main Effect					
Coefficient	0.206***	0.129*	0.077**	0.259**	0.195*
	(0.065)***	(0.078)	(0.036)	(0.112)	(0.095)
B. Placebo Test					
Placebo camp	-0.109*	-0.036	-0.019	-0.028	0.007
	(0.058)	(0.056)	(0.032)	(0.094)	(0.081)
distance in km	0.006	0.007	0.003	0.006	0.003
	(0.006)	(0.007)	(0.004)	(0.009)	(0.008)
distance in km ²	-0.015	-0.124	-0.037	-0.034	-0.041
	(0.126)	(0.156)	(0.080)	(0.203)	(0.183)
p-value equal coef.	0.001	0.083	0.041	0.084	0.474
C. Placebo Test (exclude homelands)					
Placebo camp	-0.013	0.008	-0.015	0.069	0.167
	(0.078)	(0.081)	(0.038)	(0.114)	(0.125)
distance in km	0.005**	0.000	0.001	0.004	0.002
	(0.002)	(0.002)	(0.001)	(0.003)	(0.003)
distance in km ²	-0.022**	0.001	-0.001	-0.017	-0.006
	(0.010)	(0.011)	(0.006)	(0.013)	(0.013)
p-value equal coef.	0.061	0.313	0.065	0.321	0.667

Note: Robust clustered standard errors. Significance levels: *0.10, **0.05, ***0.01.

6 Discussion

The main result that people in former resettlement areas have higher levels of social capital is somewhat surprising in light of the existing literature. In particular, the finding that levels of inter-ethnic trust are higher in the more ethnically heterogeneous relocation camps stands at odds with a number of studies that find a robust positive relationship between ethnic fragmentation and conflict (Easterly and Levine 1997, Esteban and Ray 1999, Herbst 2001, Rohner et al. 2012, Caselli and Coleman 2013). Likewise, results showing that levels of trust were generally higher in resource-deprived relocation camps contrast with previous studies documenting a positive relationship between standards of living and social capital (Li et al. 2005, Leki 2008). This section discusses potential mechanisms that could explain these results. While the argument remains inconclusive due to the lack of available data, these hypotheses may provide guidance for future research.

6.1 Identity and Social Capital

The finding that people in former resettlement areas have higher levels of trust towards both people in the immediate social network and people in general may be related to the phenomenon that shared crises can create shared interests and shared identities (Putnam and Goss 2002: 18). The shared experience of being forcefully removed by the apartheid regime and living in hardship may have reduced socio-economic and ethnic cleavages, created a common identity as displaced people and led to a “*unified consciousness of shared racial grievances*” (Posel 2011: 323). However, the social psychology literature

Table 7: Robustness Test: Standard Error Clustering

Cluster	(1) Trust People	(2) Trust Neighbors	(3) Trust relative	(4) Trust own Ethn	(5) Trust dif Ethn
Coefficient	0.077	0.129	0.206	0.195	0.259
Robust (no cluster)	(0.035)**	(0.068)*	(0.070)***	(0.094)**	(0.097)***
Town (N=391)	(0.038)**	(0.081)	(0.076)***	(0.105)*	(0.105)**
District (N=146)	(0.036)**	(0.078)*	(0.065)***	(0.095)**	(0.112)***
Resettlement Camp (N=43)	(0.035)**	(0.084)	(0.065)***	(0.109)*	(0.122)**
Homeland (N=10), bootstrap	(0.047)	(0.078)*	(0.098)**	(0.124)	(0.104)**
Province (N=9), bootstrap	(0.041)*	(0.066)*	(0.11)*	(0.174)	(0.131)**

Note: Robust clustered standard errors. Significance levels: *0.10, **0.05, ***0.01.

is ambiguous on the effects of social interactions on attitudes towards people from different backgrounds. Results from laboratory experiments show that interaction between members of different groups reduces conflict in cooperative situations but has the opposite effect in competitive settings (Slavin and Cooper 1999, Pettigrew and Tropp 2006).

What is interesting about the homeland context is that it had both cooperative and competitive elements. On the one hand, scarcity exacerbated conflict over resources but on the other hand, people needed to expand their support networks and could rally around the common goal of fighting the apartheid regime. The higher social capital levels in resettlement areas suggests that the cooperative elements outweighed the competitive ones. In addition, the setting may have become less competitive over time while the common goal of fighting apartheid remained which could explain why we see larger positive effects for most trust measures among younger cohorts.²⁹ The hypothesis that adverse effects of competition and conflict do not persist is supported by recent research showing that, in Uganda, measures of social capital such as trust and inter-ethnic cooperation declined during conflict, but recovered rapidly afterwards (De Luca and Verpoorten 2011).

The fact that the apartheid regime treated inhabitants of each homeland as one people further strengthened the notion of shared interests and the image of a common enemy. This phenomenon has been observed in other refugee camp settings. Napier-Moore (2005) describes how long-term Somali refugees in the north west of Kenya developed a ‘refugee identity’ and a study of Palestinian camps concludes that through “*Libya’s expulsion of Palestinians and Israel’s policies of collective punishment ...[created] a sense of collective identity... reinforced and strengthened in narratives of self and collectivity.*” (Petet 2010: 186).

6.2 Diversity and Social Capital

Alesina and La Ferrara (2000) find that in more racially or ethnically fragmented areas of the United States, social capital measured as the participation in associational activities such as clubs, religious groups, or sport groups is significantly lower. The authors explain this finding with a ‘*natural aversion to heterogeneity*’ (Alesina and La Ferrara 2002: 225). Yet, despite careful attempts to control for potential statistical confounders, the negative correlation between heterogeneity and trust may be driven

²⁹Relocation camps were used as a labor reserve for factories which provided some economic opportunity for people, even if salaries were meager. Comparing levels of wealth proxied for by an asset index, I find that people in former relocation camps are slightly better off than respondents in other parts of former homelands.

by unobserved variables.³⁰ This study attempts to address this concern by investigating an arguably exogenous shock to the ethnic diversity of people’s communities.

Findings in Section 4.2 suggest that instead of dividing the African population, forced removal to homelands increased trust between different ethnic groups. To shed light on this finding that is at odds with many anecdotal accounts from the literature, I first explore whether the apartheid regime succeeded in creating ethnically homogenous communities through relocation policies. To measure how ethnic fragmentation varied *within* homelands, I use 2011 census data to compute an ethnic fractionalization index (at the ward level), defined as (Estabén, Mayoral and Ray 2012):

$$F = \sum_{i=1}^m \sum_{j \neq i}^m n_i n_j = \sum_{i=1}^m n_i (1 - n_i)$$

with population shares n_i of each of the ethnic groups. The index has values between zero and one. The value zero presents a situation of no fragmentation in which only one groups comprises the population. Values closer to one present populations with many equally large population groups.³¹ I compute the ethnic fragmentation index of wards within 15km to the camps and those within 16-60km from the camps. The average fragmentation index for areas near resettlement camps is 0.256 compared to 0.232 of areas further away from the camps indicating that areas near relocation sites are *more* ethnically fragmented than other parts of homelands.³² (The difference in means is significant at the 1% level and equivalent to 0.14 standard deviations.)

It is likely that people in resettlement camps interacted more frequently with people from different backgrounds, especially since plots within camps were in many cases arbitrarily assigned. These interactions forced people to question preconceived attitudes of other ethnic groups. The direction of the belief updating is *ex-ante* ambiguous as it depends on the experience *relative* to their prior beliefs. If these prior beliefs are negative, then even neutral encounters may lead to a positive belief updating. Research documenting a negative correlation between diversity and trust and experimental studies showing that interracial exchanges involve significantly lower levels of honesty and reciprocity (e.g. Glaeser et al. 2000) can shed little light on the magnitude or even direction of how people update beliefs about people from different backgrounds. Findings in this study suggest that by providing opportunities for heterogeneous interactions and inter-ethnic experiences, resettlement camps inadvertently contributed

³⁰In addition, this and similar studies measure the level of ethnic fragmentation at the metropolitan or even more aggregated levels. This measure may not accurately capture the frequency of inter-ethnic interactions level as this also depends on the ethnic clustering within these geographic units (Matuszeski and Schneider 2006).

³¹To test how the ethnic fragmentation in former homeland areas changed over time, I first compute fragmentation indices for each former homeland for the period covered by Afrobarometer surveys. I next compute the average of the homeland fragmentation indices weighted by the population in each of the former homeland areas and find that the ethnic fragmentation has remained almost unchanged over the time from 2000 to 2010. This suggests that it is unlikely that these findings are the result of ethnic mixing after the end of apartheid since former homeland areas have not become more ethnically heterogeneous, at least over the time of the Afrobarometer surveys.

³²This result seems puzzling in light of the apartheid regime’s official goal of creating ethnically homogenous homelands. It may be explained by the fact that in many cases people, who were under the explicit threat of forced removal, evacuated areas (Thompson 2001). They may have moved to the closest homeland regardless of its official ethnic classification. In cases where the government physically removed people, it was logistically easier to relocate all people within a given area regardless of their ethnic affiliation to a closely homeland (Platzky and Walker 1985). The limited data we have on the ethnic composition of relocated people supports this claim. The 1974 Statistical Yearbook of South Africa lists the ethnic affiliation of people that located to each homeland between 1972 and 1973 as well as the ethnic composition of each Bantustan in 1970. The figures show that the ethnic fragmentation of the migrants and previous population is almost identical. While the reliability of this data is unclear, it seems that the government would have an incentive to report a overly homogenous inflow of migrants to show that their policies of ethnic division was successful. As a second corroborative piece of evidence, the SPP finds that the share of Tsonga speakers in Gazankulu only increased slightly from 41% to 43% despite the massive relocation in the 1970s, which is almost identical to the share measured in the 2010 Afrobarometer survey (Platzky and Walker 1985, p.126).

to the development of social capital between ethnic groups. Recent studies on the effect of interacting with people from diverse backgrounds on trust and tolerance draw similar conclusions (Clingsmith et al. 2009, Rao 2014, Burns et al. 2015).

The potential societal benefits of interacting with people from different socio-economic, religious, ethnic, or racial background goes back to Putnam’s concept of ‘bridging social capital’ (Putnam 1993: 90). Positive experiences with dissimilar individuals can create generalized trust whereas interactions with similar people builds ‘bonding’ social capital or in-group trust. This conceptual distinction is important because bonding social capital tends to create negative externalities while bridging social capital is more likely to generate positive externalities. The power of bridging social capital is that it can solve coordination failures with individuals outside the social networks for which enforcement mechanisms of repeated interactions typically fails. The concept of bridging vs. bonding social capital is particularly important in the context of ethnic identity and diversity. Social psychology research finds that the emphasis on the shared identity facilitates not only in-group trust, but also out-group hostility (Dovidio and Gaertner 2000). In the same vein, Bobo (1988) finds that the lack of direct contact with people from different ethnicities reinforces prejudices and stereotypes. In contrast, particularly cooperative experiences with people from different backgrounds promote a superordinate identity and out-group trust (Gaertner et al 1999).

Most networks have elements of both bridging and bonding social capital: members of a saving club may be of the same gender and age, but of different ethnic groups. The act of forced relocation may have had the effect of uprooting traditional networks of relatively homogenous members and replacing them with more randomly formed networks in the relocation camp. Did the assignment of land create diverse neighborhoods and what was the level of inter-ethnic mixing in schools? More research is needed on the nature of the social networks that formed in the resettlement camps, in particular whether groups were heterogeneous or formed along ethnic lines.

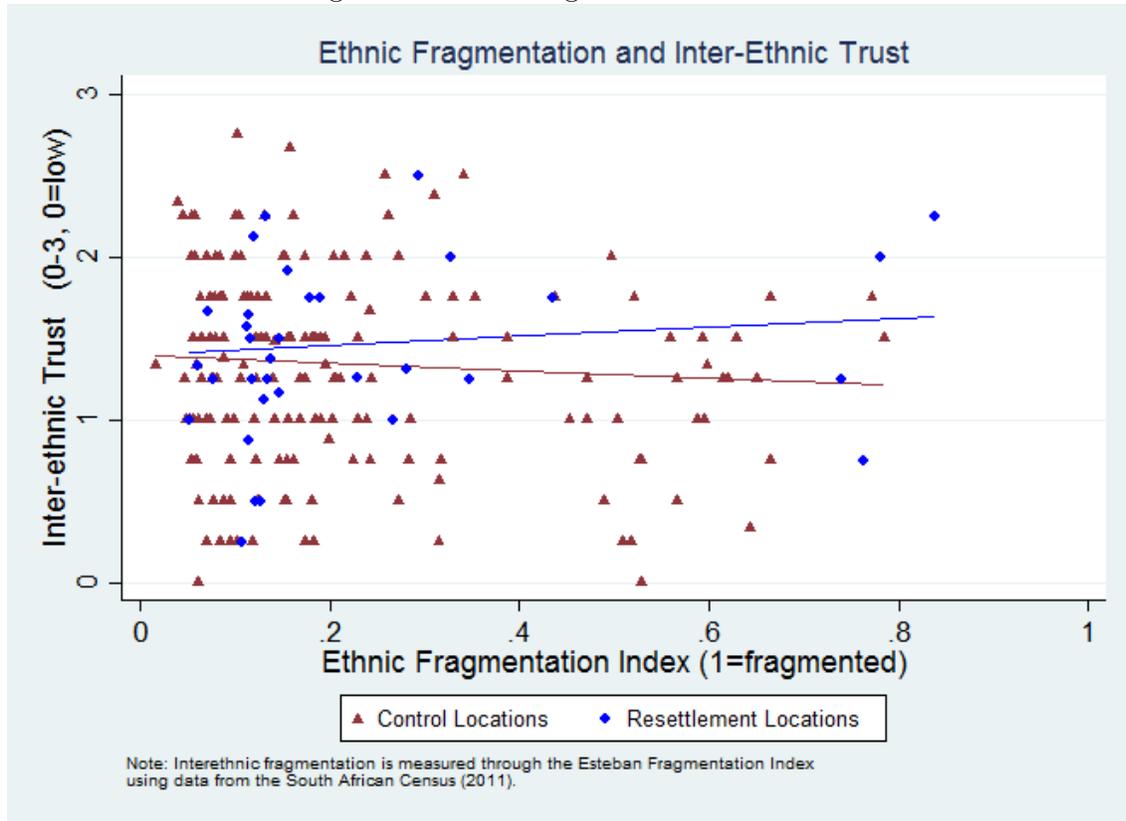
6.3 Distinguishing channels

It is difficult to distinguish the importance of these two and other potential channels for explaining the observed effect on social capital since relocation simultaneously affected both diversity and adversity. In an attempt to shed some light on this question, I take advantage of the fact that we observe variation in ethnic fragmentation *across* resettlement camps. The identification rationale is that while relocation created adversity in all camps, the level of ethnic diversity differed. If interactions with people from different backgrounds created inter-ethnic trust, we should observe higher levels of trust in more diverse camps.

Figure 4 shows the relationship between ethnic fragmentation and inter-ethnic trust. The red fitted line shows that there is a negative correlation in non-resettlement camp homeland areas.³³ Interestingly, the relationship is reversed for the relocation camp areas (depicted by the blue fitted line). The difference in slope is marginally statistically significant (p-value: 0.07). While areas with low levels of ethnic fragmentation have very similar levels of inter-ethnic trust, the difference increases in the level of ethnic diversity. This pattern is consistent with the explanation that the observed negative correlation between diversity and inter-ethnic trust observed in the control areas and various other contexts previously studied is due to unmeasured differences across communities whereas the plausibly exogenous increase in ethnic fragmentation due to relocation facilitated inter-ethnic trust. Taken at face value, this finding may thus help to reconcile the paradox in the existing literature that inter-ethnic

³³The pattern that more diverse places in non-camp homeland areas have lower levels of inter-ethnic trust provides evidence against the identification concern that people self-selected to live in communities with higher social capital after migration bans were lifted.

Figure 4: Ethnic Fragmentation and Inter-Ethnic Trust



contact at the micro-level appears to increase trust while more diverse communities seem less trusting at the aggregate level. However, this test remains inconclusive since I do not observe whether the degree of diversity among relocation camps is correlated with unobserved factors that may affect trust.

7 Concluding Remarks

The legacy of the Bantustan policies is still evident in South Africa today. Even after mobility restrictions were lifted at the end of apartheid, there was no large-scale migration out of former homelands and back to areas from where people were removed despite persistent lower levels of public service provision and employment opportunities (Posel 2004, Mariotti 2011). Part of the reason why people stay in these areas may be the lack of economic opportunities throughout the country combined with high transport costs. Another reason is that the question of land rights has been unresolved. The post-apartheid government has struggled with redistributing land and establishing a new class of black farmers, partly due to lacking skills and access to capital among land recipients. The ANC postponed the deadline for its goal of transferring one third of the country's land to black residents from 2014 to 2025. However, commentators have questioned whether this target is at all achievable given the immense cost of buying the required land from white farmers. In light of this slow progress, people have become frustrated with this 'market-led' approach to land reform and demands for land expropriation have grown. The legacy of forced removal may thus risk the long-term social stability in South Africa.

This research attempts to answer the question how the forced removal of some 3.5 million black South Africans to homelands under apartheid may affect the 'new South Africa' through its long-term effect on social capital and national identity. Using data collected 5 to 15 years after the end of apartheid, I

find that communities that were affected by large in-migration of relocated people during the 1960s and 1970s have higher level of social capital. In particular, I show that people in these communities are more trusting towards their relatives, neighbors and people in general. Qualitative research suggests that people relied more heavily on people outside the core family others for survival since living conditions in resettlement camps were dismal and family members often needed to migrate for work. This supports earlier research documenting a negative relationship between strength of family ties and social trust (Alesina and Giuliano 2010). In addition, the shared experience of hardship and having a common enemy may have created a shared identity and reduced the significance of socio-economic and other difference in peoples' minds.

This study also finds that people in these communities are more trusting towards members of both their own and different ethnic groups. Despite of apartheid's goal of creating ethnically homogenous homelands (and stirring disunity among Africans), I document that areas of former resettlement camps are more ethnically diverse. In line with other recent research that uses rich micro-economic data, I argue that exposure to a more diverse group of people in increased understanding of and trust towards different groups, despite potential short-term conflict about resources. The implications are of historic importance. Posel (2011: 329) speculates that "*everyday racial crossings opened ... spaces for political allegiances, solidarity and friendship that would ultimately contribute critically to the [apartheid] regime's demise*". The hopeful findings of this study contrast with much of the existing literature which finds that ethnically fragmented areas in Africa have more incidents of conflict and lower levels of development.

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Appendix

Table A.1: List of Resettlement Camps from Surplus People Project

Town	Homeland	# Relocated	Town	Homeland	# Relocated
Elukhanyweni	Ciskei	~5000	Malamulele	GazanKulu	~50,000
Mdantsane	Ciskei	~300,000	Giyani	GazanKulu	~20,000
Dimbaza	Ciskei	~30,000	Bochum	Lebowa	N/A
Ezibeleni	Ciskei	~10,000	Sheshego	Lebowa	~46,000
Phakamisa	Ciskei	~5000	Mokerong	Lebowa	~20,000
Ndevana	Ciskei	~1,500	Naphuno	Lebowa	~33,000
Bethelsdorp	Ciskei	thousands	Sekhuphune	Lebowa	~10,000
Glenmore	Ciskei	~1,500	Tafelkop	Lebowa	25.000
Thornhill	Ciskei	~40,000	Gamalake	KwaZulu	N/A
Zweledinga	Ciskei	~50,000	Folweni	KwaZulu	N/A
Sada	Ciskei	~65,000	Mbazwana	KwaZulu	N/A
Potsdam	Ciskei	~5,000	Osizweni	KwaZulu	N/A
Ndevana	Ciskei	~60,000	Madadeni	KwaZulu	N/A
Chalumna	Ciskei	~20,000	Ezakheni	KwaZulu	N/A
Tentergate	Ciskei	thousands	Sahlumbe	KwaZulu	N/A
Peddie	Ciskei	N/A	Bilanyoni	KwaZulu	N/A
Motherwell	Ciskei	~30,000	Hlungulwane	KwaZulu	N/A
Kwadesi	Ciskei	~30,000	Gubazi	KwaZulu	N/A
Kwamagxaki	Ciskei	~30,000	Nondweni	KwaZulu	N/A
Ilinge	Ciskei	~12,000	Ntambana	KwaZulu	N/A
Vuwani	Venda	~3,000	Wangu	KwaZulu	N/A
Sibasa	Venda	~10,000	Wembezi	KwaZulu	N/A
Dzanani	Venda	~5,000	KwaDabeka	KwaZulu	N/A
Hammanskraal	Bophuthatswana	14.000	Ntuzuma	KwaZulu	N/A
Mafikeng	Bophuthatswana	~15,000	Kwamashu	KwaZulu	N/A
Itsoseng	Bophuthatswana	30.000	Newlands East	KwaZulu	N/A
Atamaleng	Bophuthatswana	15000	Mariannridge	KwaZulu	N/A
Gannalaagte	Bophuthatswana	8000	Umlazi	KwaZulu	N/A
Madibogo	Bophuthatswana	20000	KwaNdengezi	KwaZulu	N/A
Lehurutshe	Bophuthatswana	12.000	Wentworth	KwaZulu	N/A
Ledig	Bophuthatswana	8.000	Chatsworth	KwaZulu	N/A
Winterveld	Bophuthatswana	30.000	Phoenix	KwaZulu	N/A
Boekenhout	Bophuthatswana	15.000	Mysieland	KwaZulu	N/A

Source: SSP (1983). "Forced Removals in South Africa: Volume 1-5". The list does not include relocation camps that were planned by authorities but not yet executed by the time of the SSP field work between 1980 and 1983. No field work took place in the Transkei so there are no resettlement camps documented.

Table A.2: Levels of Trust

	People			Ethnicity	
	relatives	neighbors	other SA	own ethnicity	other ethnicity
Not at all	6.9%	15.8%	24.8%	16.7%	23.8%
Just a little	16.6%	30.4%	38.9%	33.1%	35.7%
Somewhat	26.1%	35.2%	29.1%	33.0%	29.9%
A lot	50.3%	18.6%	7.2%	17.2%	10.5%
N	9,553	9,528	2,372	4,749	4,689

Note: Answers from the six Afrobarometer waves between 2000 and 2011 were pooled in cases where the same question was asked. Trust towards people was measured by asking “*How much do you trust each of the following people?*” This question was included in waves 3, 4, 5 and 6 (except other SA only incl. in wave 5). Trust towards ethnic groups was measured by asking “*How much do you trust each of the following type of people? South Africans from your own / other ethnic group.*” This question was included in waves 3 and 4.

Table A.3: Balance Test: Migrants from Resettlement vs. Control Areas (Census1996)

	Control	Treatment	p-value
Male	.476	.474	.796
Age	26.4	26.9	.158
Disabled	.078	.077	.853
Education (yr)	7.79	8.54	.073*
Employed	.474	.474	.993
Income (ZAR/mth)	1204	1362	.152
N	110,709	38,323	

Notes: Data is from the 1996 Census. Sample is restricted to people migrating between 1986 and 1996 (results are robust to reducing sample to 1991-1996). Districts that include both control and treatment areas are excluded. The control group is limited to the former homeland sample serving as the comparison group. Income variable uses the midpoint of the income bracket. P-values report tests of equal means.

Table A.4: Homeland vs. Non-homeland (50km buffer) Analysis

PANEL A: TRUST			
	<i>Trust Relatives</i>	<i>Trust Neighbors</i>	<i>Trust People General</i>
1=Homeland	-0.025 (0.042)	0.031 (0.042)	-0.023 (0.019)
R^2	0.046	0.022	0.033
N	4215	4214	3093
Control Mean	2.173	1.534	0.189
PANEL B: Trust (Ethnic) and National Identity			
	<i>Own Ethnic</i>	<i>Different Ethnic</i>	<i>United SA</i>
1=Homeland	0.024 (0.066)	0.075 (0.062)	-0.061 (0.039)
R^2	0.044	0.046	0.040
N	2119	2099	4836
Control Mean	1.47	1.22	3.12
PANEL C: CRIME			
	<i>Fear Crime</i>	<i>Crime Theft</i>	<i>Crime Physical</i>
1=Homeland	0.090 (0.058)	0.099*** (0.033)	0.046* (0.024)
R^2	0.050	0.023	0.018
N	3916	4980	4975
Control Mean	1.220	0.462	0.217

Note: Standard errors (clustered at town level) in parentheses. Significance levels: *0.10, **0.05, ***0.01. The analysis compares former homelands to areas 50km next to on an area 50km outside former homeland borders (see Figure 1). All regressions control for age, gender, living in urban area, employment, and an asset index as well as province and survey wave fixed effects (coefficients not reported).

Table A.5: Heterogeneous Effects: Ethnic Minorities

Do you trust...	relatives		neighbors		people		own ethn.		different ethn.	
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)
Camp	0.205*** (0.062)	0.109 (0.082)	0.104 (0.077)	0.059 (0.094)	0.069** (0.034)	0.074* (0.041)	0.181* (0.095)	0.136 (0.109)	0.246** (0.104)	0.113 (0.128)
Ethnic Minority		0.135 (0.120)		0.172 (0.142)		-0.017 (0.065)		-0.005 (0.161)		0.004 (0.158)
Camp x Minority		0.122 (0.119)		0.045 (0.128)		-0.033 (0.053)		0.134 (0.188)		0.296 (0.191)
r2	0.057	0.050	0.053	0.051	0.070	0.069	0.111	0.112	0.112	0.113
N		1434		1436		999		671		666
Control mean		2.007		1.423		0.210		1.416		1.240

Note: Results are from OLS Regression. Clustered standard errors in parentheses. All regressions control for age, gender, employment, and an asset index as well as province and survey wave fixed effects (coefficients not reported).

The variable Minority is equal to 1 if respondents are not part of the majority ethnic group in their specific former homeland area.

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Table A.6: Robustness: Inclusion of Control Variables

Do you trust...	Relatives			Neighbors			People in general		
Camp	0.192*** (0.063)	0.246*** (0.062)	0.205*** (0.062)	0.089 (0.066)	0.121* (0.071)	0.104 (0.077)	0.061** (0.030)	0.067** (0.033)	0.069** (0.034)
Male			0.014 (0.049)			0.083* (0.045)			0.000 (0.018)
Age			-0.006 (0.010)			0.006 (0.010)			-0.005 (0.005)
Age ²			0.012 (0.011)			0.001 (0.011)			0.005 (0.005)
Education (yr)			0.039* (0.022)			0.052** (0.023)			0.002 (0.011)
Employed			-0.135* (0.080)			-0.126 (0.079)			-0.018 (0.034)
Asset Index			0.041 (0.031)			0.003 (0.026)			0.004 (0.017)
Urban			0.012 (0.080)			-0.067 (0.082)			-0.026 (0.036)
R^2	0.038	0.046	0.057	0.036	0.039	0.053	0.066	0.067	0.070
N	1434	1434	1419	1436	1436	1421	999	999	993
Homeland Fixed Ef.	N	Y	Y	N	Y	Y	N	Y	Y
Control Variables	N	N	Y	N	N	Y	N	N	Y
Control mean	2.007	2.007	2.007	1.423	1.423	1.423	0.210	0.210	0.210
	Own ethnic group			Different ethnic group			United SA		
Camp	0.217** (0.092)	0.217** (0.095)	0.181* (0.095)	0.236** (0.102)	0.262** (0.107)	0.246** (0.104)	0.028 (0.075)	0.045 (0.079)	0.019 (0.076)
Male			0.077 (0.067)			0.069 (0.073)			0.005 (0.043)
Age			-0.005 (0.014)			0.003 (0.012)			-0.007 (0.008)
Age ²			0.013 (0.015)			-0.002 (0.014)			0.009 (0.009)
Education (yr)			0.041 (0.036)			0.019 (0.038)			0.032* (0.019)
Employed			-0.241** (0.102)			-0.109 (0.107)			-0.049 (0.072)
Asset Index			0.014 (0.056)			0.003 (0.054)			0.057* (0.029)
Urban			-0.090 (0.087)			-0.076 (0.114)			-0.084 (0.075)
R^2	0.092	0.092	0.111	0.105	0.109	0.112	0.054	0.058	0.063
N	671	671	668	666	666	663	1639	1639	1611
Homeland Fixed Ef.	N	Y	Y	N	Y	Y	N	Y	Y
Control Variables	N	N	Y	N	N	Y	N	N	Y
Control mean	1.416	1.416	1.416	1.240	1.240	1.240	4.017	4.017	4.017

Standard errors in parentheses

* $p < 0.10$, ** $p < 0.05$, *** $p < 0.01$

Figure A.1: Surplus People Project Map of Resettlement Camps (Example: North-west KwaZulu)

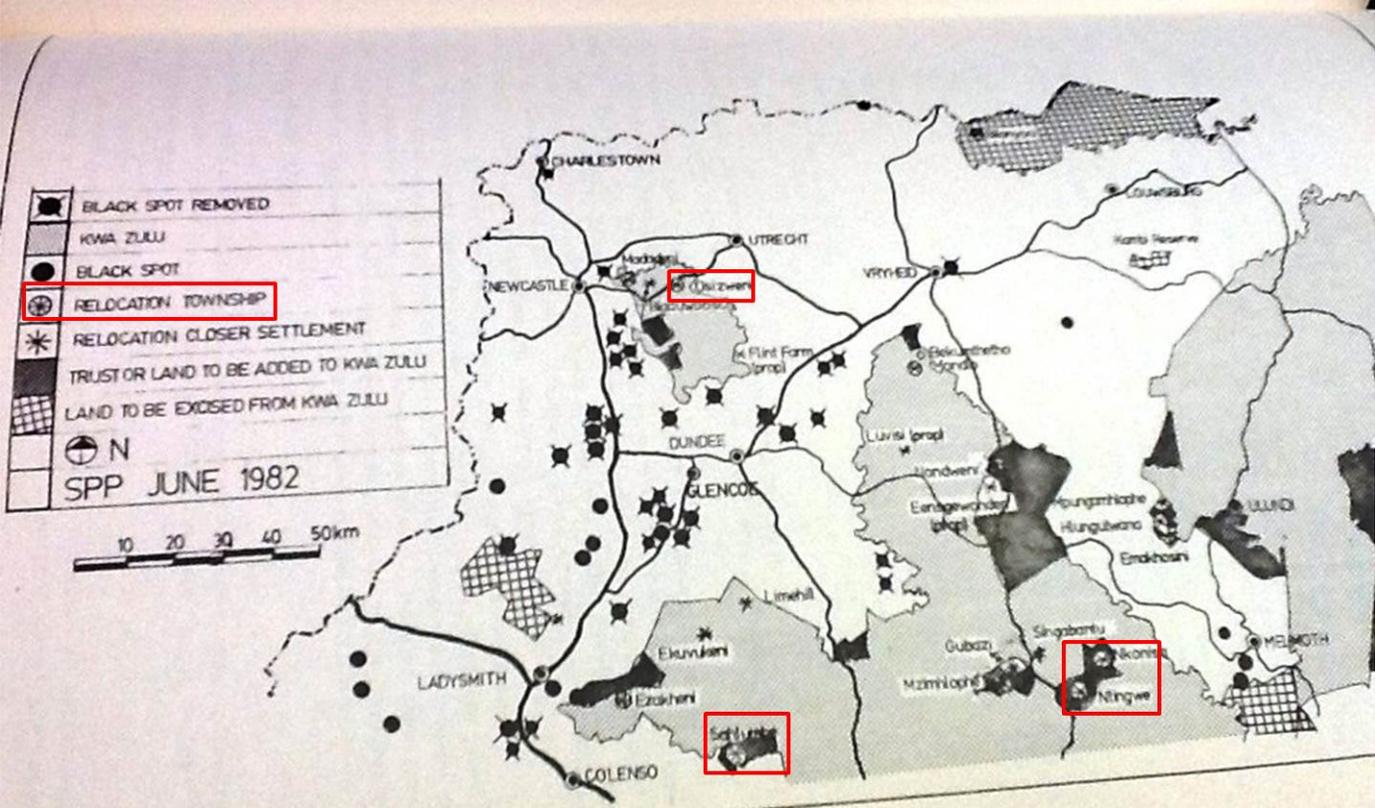


Figure A.2: Geographic Variation in Social Capital

