



INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

DEVELOPMENT STUDIES

Working Papers

A DEMOGRAPHIC AND SOCIO-ECONOMIC
PROFILE OF REGION D

By

P A Black, P J McCartan
and P M Clayton

Working Paper No. 30

Rhodes University

DEVELOPMENT STUDIES

Working Papers

- No. 8 **An Examination of the Finances of the Cape Midlands Administration Board, 1973-79** by R.G. Humphries (1982). 23pp. Price R1.50
- No. 9 **The Nutritional Status of Pre-School Children in the Amatola Basin** by R.J. Fincham (1982). 63pp. Price R3.00
- No. 10 **Some Development Issues in Ciskei** by S.B. Bekker, P.A. Black and A.D. Roux (1982). 17pp. Price R1,50
- No. 11 **Migrancy and Development: Prelude and Variations on a Theme** by M.G. Whisson, C.J. de Wet, C.W. Manona, P.A. McAllister and R.C.G. Palmer (1982). 46pp. Price R3,00
- No. 12 **The Experiences of Black Undergraduate Students at Rhodes University** by S.B. Bekker and G.V. Mqingwana (1983). 34pp. Price R1,50
- No. 13 **Tsweletswele: Problems and Prospects for Development in a Peri-Urban Closer Settlement in Ciskei** by S.B. Bekker, R.J. Fincham, C.W. Manona and M.G. Whisson (1983). 125pp. Price R5,00
- No. 14 **The Demand for Tertiary Education in the East London Metropolitan Area** by J.D. Gilmour (1983). 64pp. Price R3,00
- No. 15 **The Demand for Skilled Labour in the Border, Ciskei, Southern Transkei Regional Economy** by P.J. McCartan (1983). 74pp. Price R3,50
- No. 16 **Rural Communities in Transition: A Study of the Socio-Economic and agricultural implications of agricultural betterment and Development** by C.J. de Wet and P.A. McAllister (1983). 126pp. Price R5,00
- No. 17 **Perspectives on Rural Development in Ciskei 1983** by S.B. Bekker and C.H.B. Hughes (1983). 54pp. Price R4,00
- No. 18 **Blood Donation in the Border Region: Black Donors, Exdonors and Nondonors** by R.C.G. Palmer (1984). 194pp. Price R10,00
- No. 19 **Administrasierade: Enkele Knelpunte in die Lewering van Gesondheidsdienste deur** S. Marais (1984). 17pp. Price R1,00
- No. 20 **The Search for Power and Legitimacy in Black Urban Areas: the Role of the Urban Councils Association of South Africa** by D. Atkinson (1984). 63pp. Price R3,00
- No. 21 **Cherchez La Femme: A study of the organisation of labour and the lives of workers on a tea estate** by M.G. Whisson and C.W. Manona (1985). 89pp. Price R5,00
- No. 22 **Planning for Growth & Development in Grahamstown** by W.J. Davies (1986). 114pp. Price R5,00
- No. 23 **Voices from Rini** by Andre Roux and Kirk Helliker (1986). 120pp. Price R5,00
- No. 24 **Failure and Opportunity: Small Business in Grahamstown** by Joe Wallis (1986). 31pp. Price R2,00
- No. 25 **Development Issues in the Eastern Cape: A Review and Assessment: Proceedings of a Symposium** (1986). 96pp. Price R5,00
- No. 26 **Growth and Development in Grahamstown** by Bev Taylor (1986). 61pp. Price R3,00
- No. 27 **An Economic Framework for Deciding Whether to Discontinue the East London Municipal Bus Service** by Joe Wallis (1986). 38pp. R2,00
- No. 28 **Financing University Education in South Africa: The Case for a Student Loan Scheme** by Brian Dollery (1986). 13pp. Price R5,00
- No. 29 **An Analysis of the Structure and Growth in the Manufacturing Section in Region D** by Joe Wallis (1986). 31pp. Price R5,00
- No. 30 **A Demographic and Socio-Economic Profile of Region D** by P A Black, P J McCartan and P M Clayton (1986). 43pp. Price R5,00

A DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE OF REGION D

BY

P A Black, P J McCartan and P M Clayton

Department of Economics and Economic History
Rhodes University

EL Winterland
Southern Transkei
EL Metropolitan Area
Ciskei
PE Hinterland
PE Metropolitan Area

A DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE OF REGION D

BY

P A Black, P J McCartan and P M Clayton

Department of Economics and Economic History
Rhodes University

EL Winterland
Southern Transkei
EL Metropolitan Area
Ciskei
PE Hinterland
PE Metropolitan Area

A DEMOGRAPHIC AND SOCIO-ECONOMIC PROFILE OF REGION D

BY

P A Black, P J McCartan and P M Clayton

Department of Economics and Economic History
Rhodes University

EL Winterland
Southern Transkei
EL Metropolitan Area
Ciskei
PE Hinterland
PE Metropolitan Area

Institute of Social and Economic Research
Rhodes University
Grahamstown
6140

December 1986

Institute of Social and Economic Research
Rhodes University
Grahamstown
6140

December 1986

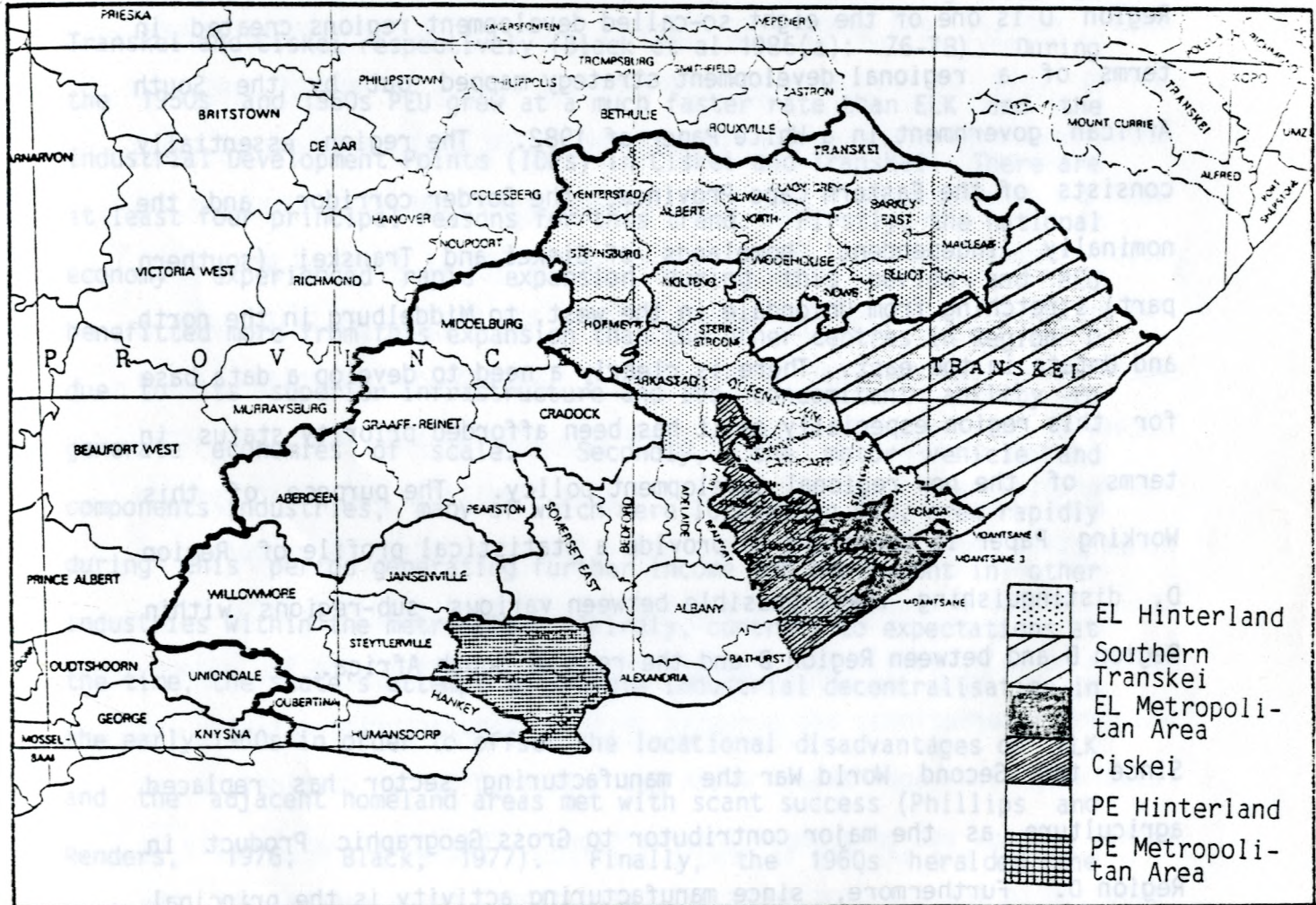
ISBN No: 0-86810-148-6

both of which are in the South African component of the region. While

the ELX metropole is significantly smaller in terms of both output and

employment than PEU, it is nevertheless substantially larger than both

Butterworth and Dimbaza which are the principal manufacturing nodes of



COMPOSITION OF STUDY REGION IN TERMS OF
CONSTITUENT MAGISTERIAL DISTRICTS AND SUB-REGIONS

1. INTRODUCTION

Region D is one of the eight so-called development regions created in terms of a regional development strategy mapped out by the South African government in a White Paper of 1982. The region essentially consists of the Eastern Cape Province, the Border corridor, and the nominally 'independent' homelands of Ciskei and Transkei (southern part) stretching from Uniondale in the west, to Middelburg in the north and Umtata in the east. There is clearly a need to develop a data base for this region especially as it has been afforded priority status in terms of the new regional development policy. The purpose of this Working Paper is therefore to provide a statistical profile of Region D, distinguishing where possible between various sub-regions within Region D and between Region D and the rest of South Africa.

Since the Second World War the manufacturing sector has replaced agriculture as the major contributor to Gross Geographic Product in Region D. Furthermore, since manufacturing activity is the principal vehicle for economic growth in most economies it will be useful here to dwell briefly on the relative performance of the various manufacturing centres within Region D in order to cast some light on present economic conditions.

Region D comprises only two recognised metropolitan areas, Port Elizabeth - Uitenhage (PEU) and East London - King Williams Town (ELK)

both of which are in the South African component of the region. While the ELK metropole is significantly smaller in terms of both output and employment than PEU, it is nevertheless substantially larger than both Butterworth and Dimbaza which are the principal manufacturing nodes of Transkei and Ciskei respectively (Black et al 1986(a): 76-78). During the 1950s and 1960s PEU grew at a much faster rate than ELK and the Industrial Development Points (IDPs) in Ciskei and Transkei. There are at least four principal reasons for this trend. Firstly, the national economy experienced rapid expansion during this period and PEU benefitted more from this expansion than the other centres in Region D due to its superior infrastructure and its concomitant ability to generate economies of scale. Secondly, the motor vehicle and components industries, many of which were located in PEU, grew rapidly during this period generating further income and employment in other industries within the metropole. Thirdly, contrary to expectations at the time, the state's attempt to promote industrial decentralisation in the early 1960s in order to offset the locational disadvantages of ELK and the adjacent homeland areas met with scant success (Phillips and Renders, 1976; Black, 1977). Finally, the 1960s heralded the beginning of the state's policy of large-scale population relocation from white to homeland areas which significantly increased population densities in the Ciskei and Transkei and served to further undermine their growth prospects (SPP, Vol 2, 1983).

However, during the 1970s and early eighties the above trend was largely reversed as the PEU economy began to experience a period of

negative growth relative to ELK and its adjacent homeland areas. This reversal can be attributed to a number of factors, the most important of which are located in the relatively undiversified industrial structure of the PEU economy which was, and still is, dominated by the motor vehicle and components industry to a quite unhealthy degree. During this period the motor industry suffered a number of setbacks which adversely affected the PEU economy. The most important of these was the introduction of the local content programme which required the motor industry to make greater use of domestically produced materials. The effect of this legislation was to give the Pretoria-Witwatersrand - Vereeniging metropolitan area (PWV) a comparative advantage as a location for the motor industry given its proximity to both the local raw materials and principal markets. This inevitably led to increasing competitive pressures within the motor industry itself as producers on the Reef found themselves more favourably located than the PEU firms (Black et al, 1986(a): 52). Attendant on this shock to the PEU economy was an international and domestic shift of manufacturing activity to relatively low-wage areas which was initiated by a combination of market forces and government intervention. The former was largely a response to the changing terms of international trade exerted by the highly competitive newly-industrialising countries which prompted some industries to voluntarily relocate from high- to low-wage areas (Bell, 1983). This trend was accelerated in the case of ELK and the newly "independent" territories of Transkei and Ciskei whose manufacturing sectors began to grow at faster rates in response to the favourable financial incentives offered by the revamped industrial decentralisation programme.

The most recent event to exert a significant impact on the economy of Region D was the Good Hope Conference held in Cape Town in 1981 which was in fact responsible for contriving Region D as a regional economic entity. In similar vein to its predecessor, the Carlton Conference in 1979, this meeting expressed a strong commitment to the involvement of the private sector in South Africa's economic and constitutional development. To this end the Conference announced the establishment of eight economic development regions and a new decentralisation policy including a much improved set of industrial incentives to spur growth in the more underdeveloped areas. In terms of this new package Region D in general was afforded priority status while ELK and the Ciskei and Transkei IDPs in particular received first-level incentives to augment their growth. There is strong evidence that these concessions have benefitted the growth of ELK and the IDPs to the detriment of the PEU economy. It thus seems clear that the decline of PEU relative to the other industrial nodes in Region D can be attributed to both market forces and the selective nature of government policy.

However, although the recent industrial growth of ELK and the Transkei and Ciskei IDPs has been relatively impressive, it has had a limited spread effect on the hinterlands of these areas creating an imbalance within these sub-regions themselves. This pattern of development can be largely attributed to the nature of the decentralisation package which failed to take account of the comparative advantage of particular industries in particular regions, the lack of a coherent agricultural policy especially in Ciskei and Transkei, the enforcement of influx

control measures by the South African state and the continuation of the forced population relocation programme.

2. POPULATION

Table 1 illustrates that at the time of the 1980 census the total population of Region D numbered slightly over 4 million. Perhaps the most significant feature of this table is that Region D has a substantially higher percentage of blacks (87,1 per cent) than the rest of South Africa (65,3 per cent). This is largely due to the inclusion in Region D of the independent states of Transkei and Ciskei the population of which are almost entirely black and together constitute 58,5 per cent of Region D's total population.

A percentage share analysis of the seven constituent sub-regions within Region D reveals that whites constitute over 25 per cent of the population only in the Port Elizabeth and East London metropolitan areas. It is also significant to note that in terms of the total South African population ratios, coloureds are substantially over-represented in the Port Elizabeth metropolitan and hinterland areas and severely under-represented in Ciskei and Transkei. Furthermore, blacks represent a greater percentage of the total sub-regional populations than the other racial groups together in all the sub-regions except for the East London metropolitan region.

Turning now to the sex composition of the various racial groups, Table 3 indicates that Region D has a higher percentage of females (54,4 per cent) than the rest of South Africa (48,8 per cent). This can be largely attributed to the preponderance of blacks in Region D and to

TABLE 1 Intra-regional distribution of the total population - Region D and rest of South Africa: 1980

(Percentages in brackets)

	Whites	Asians	Coloureds	Blacks	Total
PE Metro	187740 (25,8)	7140 (1,0)	166920 (22,9)	365780 (50,3)	727580 (100,0)
PE Hinterland	56300 (14,3)	1140 (0,3)	126940 (30,0)	239100 (56,6)	423480 (100,0)
EL Metro	72300 (37,7)	2780 (1,4)	25180 (12,8)	96740 (49,1)	197000 (100,0)
EL Hinterland	34200 (10,8)	500 (0,2)	18760 (5,9)	262620 (83,1)	316080 (100,0)
Ciskei	2220 (0,3)	640 (0,1)	5620 (0,8)	669340 (98,7)	677820 (100,0)
Transkei	5389 (0,3)	1607 (0,1)	4220 (0,3)	1656769 (99,3)	1667979 (100,0)
Total: Region D	358149 (8,9)	13807 (0,3)	347640 (8,7)	3290349 (87,1)	4009939 (100,0)
Rest of RSA	4169951 (20,0)	807493 (3,9)	2265160 (10,8)	13633451 (65,3)	20876055 (100,0)

(Source: Erwee and Radder, 1984 : 19)

TABLE 2 Percentage distribution of population across sub-regions in Region D: 1980

PE Metro	PE Non-Metro	EL Metro	EL Non-Metro	Ciskei	Transkei
18,1	10,6	4,9	7,9	16,9	41,6

(Source: Erwee and Radder, 1984 : 19)

the fact that a relatively high proportion of black males migrate to other regions as contract workers. The male : female ratios for the other population groups compare favourably with the national figures.

TABLE 3 Male : female composition of population groups - Region D and rest of South Africa: 1980

	Whites	Asians	Coloureds	Blacks	Total
Male - Region D	49,6	51,3	48,4	44,8	45,6
Male - rest of RSA	50,1	49,7	49,5	51,8	51,2
Female - Region D	50,4	48,7	51,6	55,2	54,4
Female - rest of RSA	49,9	50,3	50,5	48,2	48,8

(Source: Erwee and Radder, 1984 : 21)

Information on the age distribution of population is provided in Tables 4 and 5 below. It is clear that the age profiles of the population groups in Region D compare favourably with those in the rest of South Africa. However, the tables do reveal significant differences in respect of the relative share of the four population groups in each specified age category. For example, the 31,1 per cent share of whites in the over-65 age groups diminishes to merely 8,7 per cent for the less-than-5 year olds. In contradistinction, the percentage share of the black population increases correspondingly from 57,8 to 77,0 per cent.

The consequences of these trends becomes more apparent when the age

TABLE 4 Racial distribution of population according to age category
Region D (Transkei excluded): 1980

	0 - 4	5 - 19	20 - 64	65 +	Total
Whites	8,7	11,2	18,5	31,1	15,1
Asians	0,5	0,4	0,6	0,4	0,5
Coloureds	13,8	15,8	14,4	10,7	14,7
Blacks	77,0	72,5	66,5	57,8	69,8
Total	100,0	100,0	100,0	100,0	100,0

(Source: Erwee and Radder, 1984 : 56)

TABLE 5 Racial distribution of population according to age category -
rest of South Africa: 1980

	= 4	5 - 19	20 - 64	65 +	Total
Whites	11,6	13,6	19,2	34,1	16,8
Asians	3,2	3,8	3,8	2,4	3,7
Coloureds	9,1	11,6	9,8	8,8	10,3
Blacks	76,1	71,0	67,2	54,7	69,3
Total	100,0	100,0	100,0	100,0	100,0

(Source: Erwee and Radder, 1984 : 56,58)

profile of each population group is considered as in Table 6 below. Following Truu (1971) those less than 20 years and over 64 years of age are considered to represent the dependent portion and those between 19 and 65 are the productive portion of the population.

TABLE 6 Age distribution according to population category - Region D and rest of RSA: 1980

	Whites		Asians		Coloureds		Blacks	
	Reg D	rest RSA	Reg D	rest RSA	Reg D	rest RSA	Reg D	rest RSA
0-4	8,1	9,8	13,3	12,5	13,1	12,6	15,4	15,6
5-19	27,3	27,7	29,7	35,2	39,6	38,6	38,1	35,3
20-64	54,8	54,9	53,0	49,9	43,8	45,6	42,5	46,1
65 +	9,8	7,6	4,1	2,4	3,5	3,2	4,0	3,0
Total	100,0	100,0	100,1	100,0	100,0	100,0	100,0	100,0

(Source: Erwee and Radder, 1984 : 56, 58)

It is evident from Table 6 that the proportion of those who fall into the "dependent" category is higher for the black (57,5 and 53,9 per cent) and coloured populations (56,2 and 54,6 per cent) than for whites (45,2 and 45,8 per cent) in both Region D and the rest of South Africa. Furthermore these differences are likely to increase when account is taken of the higher unemployment rates among blacks and coloureds.

Table 7 provides information on the urban : non-urban distribution of population in Region D and in the rest of South Africa. The most significant feature of the table is the relatively low level of urban-

sation in Region D (38,3 per cent) compared with the rest of South Africa (52,4 per cent). The reason for this is that while blacks comprise a larger proportion of the total population in Region D than in the rest of South Africa, they also tend to be less urbanised than their counterparts in the rest of the country; for example, only 6,4 per cent of blacks in the dominant Southern Transkei are classified as being urbanised. In the case of the other population groups the level of urbanisation compares favourably with the national figures.

TABLE 7 Urban : non-urban percentage distribution of racial groups - Region D and the rest of RSA: 1980

	Whites	Asians	Coloureds	Blacks	Total
Urban: Reg D	89,1	78,7	78,2	28,4	38,3
Rest of RSA	88,3	90,6	76,4	37,0	52,4
Non-urban: Reg D	10,9	21,3	21,8	71,6	61,7
Rest of RSA	11,7	9,4	23,6	63,0	47,6

(Source: Erwee and Radder, 1984 : 20,21)

3. MIGRATION TRENDS

Both inter- and intra-regional migration trends can be approximated by considering differences in past growth rates between Region D and the rest of South Africa and within Region D itself.

Table 8 illustrates the various population growth rates for Region D and for the rest of South Africa between 1960 and 1970 and between 1970 and 1980. The table shows that the growth rate of the black population group over the two decades was appreciably lower in Region D than in the rest of South Africa. Part of this discrepancy may well be explained by the exclusion of Southern Transkei from the data for 1970-80. If one considers that the average population growth rate for the black states over both decades was over 75 per cent, and one applied such a growth rate to Transkei, then the inclusion of Southern Transkei in the Region D figures for 1970-80 would probably increase the population growth rate of the entire region up towards that of South Africa as a whole.

TABLE 8 Average population growth rates 1960-70 and 1970-80 - Region D and South Africa

	1960 - 1970		1970 - 1980	
	Region D	Rest of RSA	Region D	Rest of RSA
Whites	9,5	23,7	6,9	21,7
Coloureds	25,5	38,0	19,0	29,1
Asians	9,5	32,5	51,8	29,7
Blacks	28,9	43,8	35,2	39,0
Total	24,3	38,2	27,6	33,5

(Source: Department of Statistics, Population Censuses 1960, 1970 and 1980)

The most significant feature of Table 8 however is that the growth rates for all population groups were lower in Region D than in the rest of South Africa between 1970 and 1980, with the exception of the Asian group. This trend suggests a sustained outflow of migrants of all races from Region D between 1960 and 1980.

Table 9 provides a crude measure for Region D of the levels of in- or out-migration of the different population groups. The first 3 columns indicate the actual population figures for the different races while the fourth and fifth columns show the projected population figures based on national population growth rates. The final two columns indicate the difference between the actual population figures and the projected levels. It is these figures that provide us with a crude indication of migration to or from the region. The Table clearly illustrates that the population growth rate of Region D between 1960 and 1980 was slower than that of the country as a whole indicating a sustained level of migration out of the region to other parts of South Africa.

TABLE 9 Actual and projected population growth - Region D (excluding Transkei)

	Actual Population			Projected Population		Difference	
	1960	1970	1980	1970	1980	1970	1980
Whites	305299	334401	357574	373991	403956	-39590	-46382
Coloureds	232474	291865	347296	317094	374462	-25229	-27166
Asians	7217	7903	12002	9533	10274	-1630	1728
Blacks	936599	1206902	1631846	1294324	1673973	-87422	-42127
Total	1481549	1841071	2348718	1994942	2462665	-153871	-113947

Table 10 shows that the population of the Port Elizabeth metropolitan region grew at roughly the national rate between 1960 and 1980. It is worth noting that the growth rate of the white population in this sub-region decreased significantly from 24,1 per cent between 1960 and 1970 to 16,1 per cent between 1970 and 1980. This is a clear indication that the more mobile whites with their higher levels of human capital responded to the lagging local economy by migrating elsewhere. The population growth rates of the other racial groups in the metropolitan region compare favourably with the national rates indicating a steady rate of urbanisation for these groups.

TABLE 10 Average population growth rates, 1960-80 - Port Elizabeth Metropolitan and Hinterland Areas

	1960 - 1970		1970 - 1980	
	PE Metropolitan	PE Hinterland	PE Metropolitan	PE Hinterland
Whites	24,1	-10,6	16,1	-3,0
Coloureds	39,2	14,8	32,3	7,3
Asians	12,5	-	37,0	-
Blacks	37,9	8,7	44,3	2,8
Total	33,0	7,0	33,0	3,4

In contrast to its metropolitan region the Port Elizabeth hinterland experienced significantly lower population growth rates. This suggests a degree of out-migration of all population groups to the metropole. However, the low population growth rate of blacks in the hinterland is perhaps best explained by the massive relocation of black people to the black states as mechanisation proceeded apace in agriculture and the removal of so-called "black spots" was stepped up (Surplus People's Project, Vol 2, 1983).

The population growth rates for the East London metropolitan region are extremely low in comparison to the national figures (see Table 11). This is largely due to an increase in the relocation of blacks into the neighbouring Ciskei (e.g. Duncan Villagers into Mdantsane) (Surplus People's Project, Vol 2, 1983). While the white population grew at a much slower rate in the second decade indicating an increase in out-migration of this group, the coloured population appears to have been urbanising at a significant rate.

TABLE 11 Average population growth rates, 1960-80 - East London Metropolitan Region, Hinterland and Ciskei

	1960 - 1970			1970 - 1980		
	EL Metro-politan	EL Hinter-land	Ciskei	EL Metro-politan	EL Hinter-land	Ciskei
Whites	16,0	-7,0	-28,0	7,0	-10,6	-33,5
Coloureds	46,7	11,0	13,7	37,0	-0,1	-3,9
Asians	12,5	-	-	22,2	-	-
Blacks	5,0	13,5	71,1	-13,2	2,7	89,0
Total	11,4	10,3	67,5	-1,6	0,9	86,7

The East London hinterland in common with the Port Elizabeth hinterland experienced low rates of population growth. In the case of whites this can be ascribed to a general movement to the metropole and in the case of blacks to increased rates of population relocation to the neighbouring Transkei and Ciskei.

A consideration of the Ciskei figures tend to support this conclusion. The black population of Ciskei grew at a rate exceeding 70 per cent during each of the two decades which is significantly higher than any rate which might plausibly be accounted for by natural population growth. On the other hand, the white and coloured populations of Ciskei both showed negative growth rates in the second decade thus indicating high levels of out-migration in the face of the land consolidation effected before Ciskei was granted independence.

TABLE 12: Aggregate Gross Geographic Product at constant prices (1975)

	1970-1979	1980-1989	Avg annual growth rate
PE Metro	21.5	27.0	2.9
EL Metro	22.8	28.8	2.5
PE/EL Hinterland	26.5	33.3	2.8
Ciskei	38.1	100.0	10.0
Transkei	82.5	137.7	4.8
Region D	507	564	0.6
Rest of S.A.	1048	1201	0.8

(Source: Development Bank mimeo, 1982)

4. INCOME STATISTICS

Tables 12 to 14 provide data relating to income levels in the various sub-regions of Region D and in the rest of South Africa. Table 12 contains a number of noteworthy features. Firstly, the Port Elizabeth and East London metropolitan regions together account for over 70 per cent of the Gross Geographic Product (GGP) of Region D. This is not surprising since most of Region D's manufacturing industries are located in the two metropolitan areas. Secondly, the contribution of the Port Elizabeth and East London hinterland to the GGP of Region D declined quite significantly from 23,9% in 1970 to 13,3% in 1984. This decline can be partly explained by the depopulation of the hinterland by the relatively skilled white population group and by the consolidation of large hinterland areas into Ciskei and Transkei.

TABLE 12 Aggregate Gross Geographic Product at constant prices (1975)

	1970		1984		1970-84
	R(m)	% share of Reg D's GGP	R(m)	% share of Reg D's GGP	Avg annual growth rate
PE Metro	741	48,4	982	49,1	2,03
EL Metro	298	19,5	427	21,4	2,06
PE/EL Hinterland	366	23,9	270	13,5	-2,15
Ciskei	36	2,4	88	4,4	6,59
Transkei	89	5,8	233	11,7	7,12
Region D	1530	100,0	2000	100,1	1,93
Rest of RSA	19686		29676		2,98

(Source: Development Bank mimeo, 1985)

Thirdly, Table 12 manifests large discrepancies in the average annual growth rates of GGP between the constituent sub-regions of Region D. Whereas Transkei and Ciskei experienced exceptionally high growth rates, the Port Elizabeth and East London metropolitan areas experienced lower growth rates than the rest of South Africa while their hinterland areas actually experienced a negative growth rate. The high growth rates experienced by the two independent states is surely attributable in large measure to the massive increases in government spending that accompanied their respective decisions to opt for independence. On the other hand, the relatively low growth rate experienced by the Port Elizabeth metropolitan area is clear evidence of the stagnating industrial sector in this region.

Table 13 provides information on the real per capita GGP for the various constituent sub-regions of Region D and for the remainder of South Africa. It is interesting to note that both Region D and the rest of South Africa experienced negative growth in per capita GGP although the figure for Region D is somewhat worse than that for the rest of South Africa.

TABLE 13 Per Capita Gross Geographic Product at constant prices (1975)

	1970	1980	Avg annual growth rate
PE Metro	1324	1287	-0,20
EL Metro	1572	2081	2,31
PE/EL Hinterland	463	370	-1,59
Ciskei	95	99	0,30
Transkei	78	137	4,11
Region D	507	460	-0,69
Rest of RSA	1048	1024	-0,002

(Source: Development Bank mimeo, 1985)

4. INCOME STATISTICS

Tables 12 to 14 provide data relating to income levels in the various sub-regions of Region D and in the rest of South Africa. Table 12 contains a number of noteworthy features. Firstly, the Port Elizabeth and East London metropolitan regions together account for over 70 per cent of the Gross Geographic Product (GGP) of Region D. This is not surprising since most of Region D's manufacturing industries are located in the two metropolitan areas. Secondly, the contribution of the Port Elizabeth and East London hinterland to the GGP of Region D declined quite significantly from 23,9% in 1970 to 13,3% in 1984. This decline can be partly explained by the depopulation of the hinterland by the relatively skilled white population group and by the consolidation of large hinterland areas into Ciskei and Transkei.

TABLE 12 Aggregate Gross Geographic Product at constant prices (1975)

	R(m)	1970 % share of Reg D's GGP	R(m)	1984 % share of Reg D's GGP	1970-84 Avg annual growth rate
PE Metro	741	48,4	982	49,1	2,03
EL Metro	298	19,5	427	21,4	2,06
PE/EL Hinterland	366	23,9	270	13,5	-2,15
Ciskei	36	2,4	88	4,4	6,59
Transkei	89	5,8	233	11,7	7,12
Region D	1530	100,0	2000	100,1	1,93
Rest of RSA	19686		29676		2,98

(Source: Development Bank mimeo, 1985)

Thirdly, Table 12 manifests large discrepancies in the average annual growth rates of GGP between the constituent sub-regions of Region D. Whereas Transkei and Ciskei experienced exceptionally high growth rates, the Port Elizabeth and East London metropolitan areas experienced lower growth rates than the rest of South Africa while their hinterland areas actually experienced a negative growth rate. The high growth rates experienced by the two independent states is surely attributable in large measure to the massive increases in government spending that accompanied their respective decisions to opt for independence. On the other hand, the relatively low growth rate experienced by the Port Elizabeth metropolitan area is clear evidence of the stagnating industrial sector in this region.

Table 13 provides information on the real per capita GGP for the various constituent sub-regions of Region D and for the remainder of South Africa. it is interesting to note that both Region D and the rest of South Africa experienced negative growth in per capita GGP although the figure for Region D is somewhat worse than that for the rest of South Africa.

TABLE 13 Per Capita Gross Geographic Product at constant prices (1975)

	1970	1980	Avg annual growth rate
PE Metro	1324	1287	-0,20
EL Metro	1572	2081	2,31
PE/EL Hinterland	463	370	-1,59
Ciskei	95	99	0,30
Transkei	78	137	4,11
Region D	507	460	-0,69
Rest of RSA	1048	1024	-0,002

(Source: Development Bank mimeo, 1985)

The most significant feature of Table 13 is the discrepancies that exist between the constituent sub-regions of Region D. Whereas the two independent black states and the East London metropolitan area enjoyed positive growth rates, the remaining sub-regions all experienced negative growth rates. However, Ciskei's per capita growth rate was substantially lower than its aggregate rate suggesting that its impressive aggregate rate of GGP growth was almost entirely absorbed by a high rate of population growth. While Port Elizabeth experienced a decline in per capita GGP roughly equivalent to that experienced by the rest of South Africa, East London experienced a positive growth in per capita GGP. This is probably due to the excision of Mdantsane into Ciskei which significantly reduced East London's de facto black population.

Table 14 illustrates the median incomes of the four population groups in Region D, the Cape Province and in the rest of South Africa. The most noteworthy feature of this table is that the median incomes of all the population groups, except the Asians, are lower in Region D than in the rest of South Africa. This seems to reflect the depressed state of the regional economy. The median incomes of the various population groups in Region D do, however, accurately mirror South Africa's racially skewed income profile.

Hinterland	23.9	270	134	51.2
Ciskei	4.2	88	175	65.6
Transkei	8.5	233	163	10.1
Region D	100.0	2000	100	100
Rest of RSA	4.2	137	78	89.2
	0.8	460	507	100

(Source: Development Bank memo, 1985)

Source: Development Bank memo, 1985

TABLE 14 Analyses of Median Annual Incomes (R) of wage earners: 1980

Region D (excluding Transkei)				
Sub-regions	Whites	Asians	Coloureds	Blacks
Metropolitan	5 316	3 253	1 706	1 086
Non-metropolitan	4 421	826	780	561
Total	5 132	2 742	1 150	720

CAPE PROVINCE				
Urban	5 434	2 931	1 580	1 141
Non-urban	5 434	800	787	522
Total	5 434	2 798	1 256	870

REST OF RSA				
Urban	6 193	2 557	1 661	1 381
Non-urban	6 162	1 866	782	587
Total	6 190	2 472	1 346	1 012

(Source: Erwee and Radder, 1984 : 154)

Table 15 shows the contribution of each economic sector to Gross Geographic Product (GGP) in Region D and its six sub-regions while in Table 16 these contributions are expressed as a percentage of the GGP for the region and its sub-regions. It can be seen from this table that mining makes a relatively insignificant contribution to regional output of 0,31 per cent compared to its contribution of 14,28 per cent to Gross Domestic Product (GDP) in South Africa as a whole. On the other hand the contributions of the agricultural, government and transport sectors to the GGP of Region D are substantially larger than their contributions to South Africa's GDP.

Within Region D itself agriculture provides a significant portion of output in the hinterland of the Eastern Cape Province and in Transkei but only comprises 13,99 per cent of the region's GGP. Almost a quarter (23,18 per cent) of regional output is generated by the manufacturing sector which is quite substantially the most notable contribution across all the sectors. Despite the fact that the contribution of this sector is much higher in the metropolises of PEU and ELK where it comprises 35,03 and 27,97 per cent of output respectively, it is clear that manufacturing is likely to continue providing the main impetus to economic growth in the region.

Table 17 presents the contribution of each sub-region to the regional output of each economic sector. This table provides a clear indication of the extent to which each sector is concentrated, with the obvious exception of agriculture, within the PEU and ELK metropolises.

TABLE 15 Gross geographic product according to economic sector in Region D, 1978 (R'000)

SECTOR	PORT ELIZABETH/ UITENHAGE	EAST LONDON/ KINGWILLIAMSTOWN	QUEENSTOWN	TRANSKEI	CISKEI	HINTERLAND	REGION D (INCLUDING TRANSKEI)	TOTAL SOUTH AFRICA
Agriculture	12 612	11 746	4 938	135 068	8 074	196 604	369 042	2596 966
Mining	5 455	1 302	134	183	47	971	8 092	4988 571
Manufacturing	405 494	138 942	4 146	28 072	16 703	18 256	611 613	7888 798
Elec, gas & water	18 007	12 720	1 693	1 342	53	6 287	40 102	1572 962
Construction	42 354	20 381	3 193	13 203	14 595	12 674	106 400	1151 767
Commerce	155 149	69 924	12 469	43 218	2 650	47 010	330 420	4576 480
Transport	193 731	103 411	16 324	12 131	4 465	47 129	372 626	3522 693
Finance	157 216	70 414	9 937	17 469	7 709	51 112	313 857	4551 209
Services & Government	132 574	54 763	12 476	88 806	36 200	77 420	402 239	3129 132
Other producers	35 036	13 106	1 673	5 400	684	23 501	79 400	960 433
Total	1157 628	496 709	66 983	344 892	91 180	480 866	2638 258	34939 011

Source : Department of Statistics, Gross Geographical Product by Magisterial District, 1978, Pretoria.

TABLE 16 Percentage contribution of each sector to subregional gross geographic product, 1978

	PORT ELIZABETH/ UITENHAGE	EAST LONDON/ KINGWILLIAMSTOWN	QUEENSTOWN	TRANSKEI	CISKEI	HINTERLAND	REGION D (INCLUDING N TRANSKEI)	TOTAL SOUTH AFRICA
Agriculture	1,09	2,36	7,37	39,16	8,86	36,79	13,99	7,43
Mining	0,47	0,26	0,2	0,05	0,05	0,2	0,31	14,28
Manufacturing	35,03	27,97	6,19	8,14	18,32	4,09	23,18	22,58
Elec, Gas & Water	1,56	2,56	2,53	0,39	0,06	1,46	1,52	4,5
Construction	3,66	4,1	4,77	3,83	16,01	2,9	4,03	3,3
Commerce	13,4	14,08	18,96	12,53	2,91	10,86	12,52	13,1
Transport	16,74	20,82	24,37	3,52	4,9	11,56	14,12	10,08
Finance	13,58	14,18	14,84	5,07	8,45	11,14	11,90	13,03
Government	11,45	11,02	18,62	25,75	39,7	16,41	15,25	8,95
Other Producers	3,03	2,64	2,5	1,57	0,75	4,6	3,00	0,75
	100,00	100,00	100,00	100,00	100,00	100,00	100,00	100,00

Source : Department of Statistice, Gross Geographical Product by Magisterial District, 1978, Pretoria

TABLE 17 Region D (including N. Transkei) GDP 1978 : Contribution of each subregion to Regional total

SUBREGION	AGRICULTURE	MINING	MANUFAC- TURING	ELEC, GAS, WATER	CONSTRUC- TION	COMMERCE	TRANSPORT	FINANCE	SERVICES & GOVERNMENT	OTHER PRODUCERS	TOTAL
PE/Uitenhage	3,4	67,4	66,3	44,9	39,8	47,0	52,0	50,1	33,0	44,1	43,9
East London/ King William's Town	3,2	16,1	22,7	31,7	19,2	21,2	27,8	22,4	13,6	16,5	18,8
Queenstown	1,3	1,7	0,1	4,2	3,0	3,8	4,4	3,2	3,1	2,1	2,5
Hinterland	53,3	12,0	3,0	15,7	11,9	14,2	12,6	16,2	19,2	29,6	18,2
Transkei	36,6	2,3	4,6	3,3	12,4	13,1	2,2	5,6	22,1	6,8	13,1
Ciskei	2,2	0,6	2,7	0,1	13,7	0,8	1,2	2,5	9,0	0,9	3,4
Region D (including N. Transkei)	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0	100,0

Source : Department of Statistics, Gross Geographical Product by Magisterial District, 1978, Pretoria.

In the case of manufacturing 66,3 per cent of regional output is provided by industries located in PEU and 22,7 per cent by industries located in ELK. Since 1978, however, manufacturing activity has grown rapidly in Transkei and Ciskei, a development which is unfortunately not reflected in official statistics as 1979 is the most recent year for which manufacturing census data is available.

The other noteworthy point reflected in Table 17 is the meagre contribution made by Ciskei to regional output in the agricultural sector. This feature is surely attributable to the high population density of the area which is primarily a product of the influx control and population relocation programmes of the South African government which has seen Ciskei's population grow from around 350 000 in 1970 to 630 000 in 1980 (Green and Hirsch, 1985: 68).

	100°0'	100°0'	100°0'	100°0'	100°0'	100°0'
TABLE 17	PORT ELIZABETH/ EAST LONDON/ KIMBERLEY/ STERILIZATION					
Region D	5°5'	0°0'	5°1'	0°1'	13°1'	13°1'
Transkei	30°0'	5°3'	4°0'	2°2'	15°4'	15°4'
Transvaal	23°3'	15°0'	3°0'	12°1'	11°0'	11°0'
Orange Free State	4°1'	1°1'	0°1'	2°5'	3°0'	3°0'
North West	3°5'	10°1'	55°1'	34°2'	12°5'	12°5'
North West		35.03		27.87	6.09	6.09
East Province		1.56		0.56	1.46	1.46
Manufacture	3°0'	01°00'	00°3'	00°2'	30°8'	30°8'
Coalfields		11.8		10.08	10.08	10.08
Transvaal		16.74		20.52	24.37	24.37
Transvaal		13.50	10000	10000	10000	10000
Transvaal		10000	10000	10000	10000	10000
Transvaal		10000	10000	10000	10000	10000
Other		1.02		2.60	2.60	2.60

TABLE 17

Source: Department of Statistics, Gross Domestic Product by Region, 1979

5. EMPLOYMENT AND UNEMPLOYMENT

The problems associated with measuring and predicting unemployment in South Africa have been well documented elsewhere (Loots, 1977; Simkins, 1978 and 1981; van der Merwe, 1977). There seems little need to consider them in any detail here save for a brief mention of some of the problems related to estimating labour force participation rates or economic activity rates.

A labour force participation rate for any particular section of a population is generally considered to include those currently employed as well as those seeking employment at existing wage rates, i.e. the proportion included in the supply of labour. Simkins (1981 and 1982) has estimated labour force participation rates for the total black population using both 1970 census data (A) and Central Population Survey data (B). His results are recorded in Table 18.

TABLE 18 Black labour force participation rates, 1970 and 1978

	Male		Female	
	1970 (A)	1978 (B)	1970 (A)	1978 (B)
White areas	61	33,4	53,5	26,5
Homelands	30,7	19,9	19,3	11,9

Given both the empirical and theoretical problems involved in estimating labour force participation rates (see Gerson, 1981; Knight, 1981) we will use both the estimates provided in Table 18 taking the

1970 figure (A) as the upper limit and the 1978 figure (B) as the lower limit. Our estimates of black unemployment in Region D are arrived at via the following process. The economically active population in Table 20 is calculated by applying the labour force participation rates in Table 18 to the population figures in Table 19. The employment figures in Table 21 are then subtracted from the economically active population in Table 20 to arrive at the number of unemployed in Table 22. Using this method of measuring unemployment Table 23 illustrates unemployment rates according to both the high and low estimates.

TABLE 19 Total black population in Region D (excluding Transkei): 1980

	Male	Female
White areas	719 784	779 422
Homelands	466 902	544 463

(Source: Department of Statistics, Population Census 1980)

TABLE 20 Economically Active black population in Region D (excluding Transkei): 1980

	Male		Female	
	A	B	A	B
White areas	439 068	240 407	416 990	206 547
Homelands	143 339	92 913	105 081	64 791

TABLE 21 Total employment in Region D (excluding Transkei): 1980

	Male	Female
White areas	179180	130400
Homelands	79940	56280

(Source: Department of Statistics, Population Census 1980)

TABLE 22 Total black unemployment in Region D (excluding Transkei):
1980

	Male		Female	
	A	B	A	B
White areas	259888	61227	286590	76147
Homelands	63399	12973	48807	8511

TABLE 23 Black unemployment rates in Region D (excluding Transkei):
1980

	Male		Female	
	A	B	A	B
White areas	44,2	14,0	46,4	13,1
Homelands	59,2	25,5	68,7	36,9

The difference between the two sets of estimates is obviously accounted for by the different labour force participation rates on which they are based. There is no known way of assessing which of the two estimates is a more accurate representation of the real situation, but if one compares the rates in Table 23 with those in Tables 24 and 25 below then it would appear that A represents a more accurate estimation of unemployment rates for both the RSA component of Region D and for Ciskei. In respect of the former area estimate A in Table 23 is somewhat higher for males and marginally lower for females than the figures in Table 24. Moreover, these high unemployment rates among blacks in the RSA component are further supported by a recent survey of employment conditions in the Port Elizabeth metropolitan region which produced unemployment rates of 50 and 60 per cent for males and females respectively (Levin, 1985). Similarly, black unemployment in

TABLE 24 Black unemployment rates, White Region D

	Male	Female
Grahamstown	24,0	49,5
Port Elizabeth	23,4	52,3

(Source: Gilmour and Roux, 1984 : 5)

TABLE 25 Black Unemployment rates, Ciskei

	<u>de jure</u>	<u>de facto</u>
Kammanskraal	35,5	75,9
Glenmore	38,2	61,9
Amatola Basin	16,2	60,0
Sada	28,7	53,6
Dimoaza	35,0	41,4

(Source: Bekker et al, 1982 : 10)

Grahamstown was estimated to vary between 30 and 50 per cent in 1980 (Engineering Management Services, undated: 2.8.3), while more recently an editorial in the Evening Post (September 1986) put that figure at a staggering 62 per cent.

Likewise, estimate A may well be the more accurate of the two for the homeland areas of Region D. This view is largely based on the assumption that the vast majority of those working in subsistent agriculture are in fact underemployed rather than openly unemployed, which would have the effect of raising the number of people without adequate jobs well above the recorded figures for these territories.

6. HEALTH AND EDUCATION

The high unemployment rates and low levels of income in Region D are bound to be reflected in poor standards of health and education. Detailed information on these indicators is important insofar as it may reveal the extent to which the basic needs of the poor are being fulfilled during the process of economic development. Failure to meet the basic needs of people are likely to lock them into a vicious circle of poverty in which their low standards of health and education can be seen as both a cause and a consequence of their lack of gainful employment. Conversely, to the extent that good health and an adequate education enable people to compete efficiently in the market place, efforts to provide for such needs may be viewed as a form of social investment in the future labour force of the country or region.

Due to a paucity of data on health and education on a regional basis, it is not possible to do much more than report on the findings of a few isolated studies in the field. Life expectancy at birth and the infant mortality rate represent two of the more widely used measures of the health of a community. Table 26 below indicates that the infant mortality rate (per 1 000 live births) for blacks, Coloureds and Asians is much higher in Region D than in the rest of South Africa, while the corresponding difference for the white population group appears to be negligibly small. Within Region D itself the infant mortality rate amongst urban blacks in Ciskei is almost 7 times that of whites, while for Coloureds and Asians it is 6 and 3 times higher than the white

TABLE 26 Infant Mortality Rates* : 1980's

	<u>Whites</u>	<u>Coloureds</u>	<u>Asians</u>	<u>Blacks</u>
RSA	12,7	60,0	24,1	90
Region D	13,6	86,4	41,7	
Ciskei: Mdantsane				100

*Number of children who die before the age of 1 year - per 1 000 live births

Source: Population Development Programme, 1985: 126
Keeton, 1983: 181

figure, respectively. Similar differences apply with respect to life expectancy at birth and at the age of 20 years (Population Development Programme, 1985: 42; Keeton, 1983: 181-182). These differences seem to mirror the large discrepancies in the level of real income per head of the various population groups in Region D.

It is instructive also to consider the findings of recent investigations into the nutritional status of the black population in Region D. Although Fincham and Thomas (1984) found that present levels of nutrition in the urban areas were generally adequate, they considered the long term nutritional status of blacks in both the urban and rural areas of Region D to be unsatisfactory. The situation in the rural areas of Region D appears to be more serious. More than a quarter of children under the age of 2 years living in the rural areas of the PEU hinterland was found to have deficient levels of nutrition; in the under-6-year category the figure was approximately 20 per cent (Fincham, 1982: 49). Fincham and Thomas (op cit: 10) also found a high incidence of kwashiorkor and morasmus in the resettlement areas of Potsdam and Tseletswele in Ciskei.

Turning now to education, it would appear that the average literacy rate of the African population in Region D compares favourably with that of the black population in the rest of South Africa. The literacy rate of Xhosas aged 15 years and more was found to be 72,7 per cent in 1980, compared to a corresponding proportion of 66,9 per cent for the black population as a whole (Benso, 1981). Contrary to what one might expect on the basis of GNP per capita alone, Keeton (1983: 180) found that the adult literacy rate in Ciskei was on a par with those in several middle-income countries in 1980. It should be noted however, that these rates are substantially lower than the literacy rate of the white population in South Africa, while there are also vast differences in adult literacy between the resettlement areas and the more established communities in Ciskei (Page, 1982: 73).

Tables 26 and 27 illustrate an extremely pronounced level of disparity among the various population groups in respect of education levels. Whereas nearly all whites aged twelve years and older have passed Std 4, the percentage drops to 59,6 and 47,8 per cent respectively in the case of coloureds and blacks. Furthermore for those aged 18 years or older the percentage who have passed Std 10 diminishes dramatically from 40,5 per cent for whites to 3,6 and 2,8 per cent for coloureds and blacks.

A comparison of Region D with the rest of South Africa shows that for whites the two educational profiles are very much the same except that a smaller percentage of those greater than or equal to 18 years old

TABLE 27 Highest School Qualification related to Age Group Categories - Region D

	Whites	Asians	Coloureds	Blacks	Transkei
Std 4 as % of 12 yr olds	96,0	80,6	59,6	47,8	37,3
Std 6 as % of 14 yr olds	93,5	65,2	35,6	28,0	24,1
Std 10 as % of 18 yr olds	40,5	27,3	3,6	2,8	2,2

Source: Erwee & Radder, 1984: 117

TABLE 28 Highest School Qualification related to Age Group Categories - RSA

	Whites	Asians	Coloureds	Blacks
Std 4 as % of 12 yr olds	96,8	78,7	61,5	39,6
Std 6 as % of 14 yr olds	93,1	63,2	39,0	23,1
Std 10 as % of 18 yr olds	45,5	15,2	4,4	1,8

Source: Erwee & Radder, 1984: 117

have passed Std 10 in Region D (40,5 per cent) than in South Africa as a whole (45,5 per cent). In contrast blacks in Region D exhibit a higher level of education in each of the age groups. However, should Southern Transkei - which is 99,3% black - be included, the overall educational profile of blacks in Region D would be lowered somewhat producing a profile not too dissimilar to that of the rest of the Republic.

7. CONCLUSION

In terms of its demographic and socio-economic status Region D can at best be described as a poor and lagging region. The industrial nodes of Region D do not compare favourably with metropolitan regions elsewhere, while its hinterland also makes a poor showing when compared to rural areas in the rest of South Africa. Although the manufacturing sector of the East London/King Williams Town conurbation has grown at a relatively healthy rate over the past 15 years, only a small proportion of the people living in its immediate hinterland has benefitted from this expansion.

Although there is evidence indicating a sustained level of migration out of the region, the ratios of males to females and of urban to rural dwellers among the black population of Region D are appreciably lower than those for the rest of South Africa. Likewise the dependency ratio, or the proportion of black people aged below 20 and above 64 years, appears to be higher in Region D than in the rest of South Africa. Considering too that black unemployment in Region D has recently assumed alarming proportions, it is not difficult to see why the proportion of black people who are gainfully employed is considerably smaller in Region D than in the rest of South Africa.

Although available estimates of black unemployment in Region D tend to vary a great deal, there can be little doubt that it has become a critical problem during recent years. Using activity rates based on

the 1970 census, we find that the unemployment rate amongst blacks living in the RSA component of Region D exceeded 45 per cent in 1980, while the corresponding rate for the Transkei and Ciskei sub-regions was probably in excess of 55 per cent. More recently researchers at Vista University estimated that the unemployment rate for black males and females in the PEU region equalled 50 per cent and 60 per cent respectively. Similar figures have been reported for Grahamstown and other towns in the hinterland of Region D. These high rates of urban unemployment may be ascribed to the natural growth of population, large-scale migration from the hinterland to PEU and other towns in the RSA component of Region D, the general economic recession and long-term decline of the manufacturing sector in PEU, and to the harmful effect of the incentive-based growth in Ciskei on manufacturing industries in several towns in the hinterland of Region D (Black et al, 1986(b)).

The situation in Ciskei and Transkei appears to be equally serious. In a recent survey of employment conditions in Ciskei, for example, it was found that unemployment rates varied between 26 and 35 per cent amongst the urban communities, between 16 and 38 per cent for the de jure rural population, and between 60 and 76 per cent amongst the de facto rural population. These unemployment rates may in turn be attributed to natural population growth and to the large-scale resettlement of people in various closer settlements in Ciskei during the past two decades (SPP, 1983).

Under these circumstances it is not surprising to find that the aggregate and per capita levels of GGP have been growing less rapidly

in Region D than in the rest of South Africa. In 1980, for example, the per capita level of real income in Region D was less than half of that for the rest of the country. Likewise, the infant mortality rate, life expectancy and nutritional status of black people in Region D compare unfavourably with those for blacks in the rest of South Africa. Although the average standard of education and training among blacks in Region D appears to be relatively high, our analysis suggests that many of these people are either unemployed or are poorly paid relative to their counterparts in the rest of South Africa.

During the past two decades we have witnessed the emergence of a regional problem within Region D caused by a spatial reallocation of resources within the region as a whole. Firstly, there has been a substantial relocation of population from the RSA portion of Region D to the hinterland of Transkei and most especially Ciskei. Secondly, the rural hinterland has been further depopulated by a two-stage population migration to semi-urban hinterland towns and to townships adjoining the Port Elizabeth and East London metropolises. Thirdly, these population shifts have been accompanied by a reversal of the pattern of industrial growth within Region D as the ELK metropole and the Ciskei and Transkei IDPs have experienced a period of relatively rapid growth over the past 15 years while output and employment in the PEU industrial complex have steadily declined.

The reasons underlying this reallocation of resources are firmly rooted in a rather complex and often contradictory interplay between market

forces and official government policy. It has been noted in respect of the depopulation of the white agricultural sector in Region D that "although some types of resettlement from the rural areas were more or less unrelated to the state of the agricultural market ... most of the migration from the white rural areas was directly caused, or at least facilitated by, the contraction in agricultural employment" (SPP, 1983: 30). However, as is well documented in the latter report the coercive intervention of the state through squatter, tenant and 'black spot' removals, 'homeland consolidation' and through influx control relocations to Ciskei and Transkei was effected on a huge scale. Similarly, the reallocation of industrial activity away from PEU and in favour of the ELK area and the Ciskei and Transkei IDPs is characterised by both market forces and state intervention. While the market may have acted to attract some firms to these low-wage regions (Bell, 1983), intervention by the state through its concession package had the effect of enforcing and augmenting this shift to a degree that is difficult to justify on economic grounds alone (Dewar et al, 1984; Black et al, 1986(b)).

REFERENCES

- Bekker, S B, Black, P A and Roux, A D, 1982, Some Development Issues in Ciskei, Development Studies Working Paper No. 10, Institute of Social and Economic Research, Rhodes University, Grahamstown.
- Bell, R T, 1983, The Growth and Structure of Manufacturing Employment in Natal, Occasional Paper No. 7, University of Durban-Westville.
- Bureau for Economic Research Cooperation and Development (BENS0) 1981, Statistical Survey of Black Development, 1981, BENS0, Pretoria.
- Black, P A, 1977, "Regional Economic Growth and Consumer Potential of Urban Blacks", South African Journal of Economics, Vol 45.
- Black, P A, Davies, W J, Wallis, J L, McCartan, P J and Clayton, P M, 1986(a), Industrial Development Strategy for Region D, First Interim Report, Institute of Social and Economic Research, Rhodes University, Grahamstown.
- Black, P A, Davies, W J, Wallis, J L, McCartan, P J and Clayton, P M, 1986(b), Industrial Development Strategy for Region D, Second Interim Report, Institute of Social and Economic Research, Rhodes University, Grahamstown.
- Department of National Health and Population Development, Population Development Programme, 1985.
- Department of Statistics, Population Census, 1960, 1970 and 1980, Government Printer, Pretoria.
- Department of Statistics, 1978, Gross Geographical Product by Magisterial District, Government Printer, Pretoria.
- Development Bank of Southern Africa, 1986, Mimeograph.
- Dewar, D, Watson, V and Todes, A, 1984, Industrial Decentralisation Policy as a mechanism for Regional Development in South Africa: Its premises and record, Working Paper No 30, Urban Problems Research Unit, University of Cape Town, Cape Town.
- Engineering Management Services, undated, Grahamind Report, Grahams-town.
- Erwee, J A and Radder, L, 1984, A Socio-Economics/Demographic Profile Based on the 1980 Population Census, Institute for Planning Research, University of Port Elizabeth.
- Evening Post, 1986, Editorial Comment, Port Elizabeth, September.

- Fincham, R J, 1982, A Household Survey into the Nutritional Status of Rural Black Pre-school Children in the Dias Divisional Council Area Eastern Cape, Development Studies Working Paper No 6, Institute of Social and Economic Research, Rhodes University, Grahamstown.
- Fincham, R J and Thomas, G C, 1984, Nutritional Intervention: A Ciskei and Eastern Cape Perspective; Carnegie Conference Paper No 213, Cape Town.
- Gerson, J, 1981, The Question of Structural Unemployment in South Africa, South African Journal of Economics, Vol 49, No 1.
- Gilmour, J D and Roux, A D, 1983, Urban Black Unemployment and Education in the Eastern Cape, Carnegie Conference Paper No 120, Cape Town.
- Green, P and Hirsch, A, 1985, "The Ciskei - The Political Economy of Control", South African Labour Bulletin, Vol 7 Nos 4 and 5.
- Keeton, R G, 1983, An Analysis of the Basic Needs Approach in its Application to Regional Economic Development, with specific reference to Ciskei, unpublished doctoral thesis, Rhodes University.
- Knight, J B, 1982, The Nature of Unemployment in South Africa, South African Journal of Economics, Vol 50, No 1.
- Levin, M, 1985, The Unemployment Rate of Blacks in the Port Elizabeth/Uitenhage Area: Special Report, Employment Research Unit, Vista University, Port Elizabeth, 27 July.
- Loots, L, 1977, Alternative Approaches to the Estimation of Unemployment, Workshop on Unemployment and Labour Re-allocation, University of Natal Pietermaritzburg.
- Page, D (ed), 1982, Strategies and Guidelines for the Physical Development of the Republic of Ciskei, Institute for Planning Research, Stellenbosch.
- Phillips, B D and Renders, N, 1976, Industrial Change in the East London/King William's Town and Port Elizabeth/Uitenhage Metropolitan Regions: 1960-1970, Information Bulletin No 10, Institute for Planning Research, UPE.
- Simkins, C E W, 1978, "Measuring and Predicting Unemployment in South Africa 1960-1977" in Structural Unemployment in Southern Africa, Pietermaritzburg: University of Natal Press.
- Simkins, C E W, 1981, The Demographic Demand for Labour and Institutional Context of African Unemployment in South Africa: 1960-1980, SALDRU Working Paper 39, University of Cape Town, Cape Town.

Simkins, C E W, 1982, Structural Unemployment Revisited, SALDRU Fact Sheet No 1, December 1981, University of Cape Town, Cape Town.

Surplus People's Project (SPP), 1983, Forced Removals in South Africa, Vol 2, The Eastern Cape, Cape Town.

Truu, M L, 1971, Survey of the Cape Midlands and Karoo Regions - Human Resources in the Cape, Institute of Social and Economic Research, Rhodes Univesrity.

van der Merwe, P J, 1977, Black Unemployment Problems in South Africa, Workshop on Unemployment and Labour Reallocation, University of Natal, Pietermaritzburg.



α 1 1 8 2 4 9 6 2 β

DEVELOPMENT STUDIES INSTITUTE OF SOCIAL AND ECONOMIC RESEARCH

The concept of development has two distinct faces. It refers to man's continual attempts to gain more control over his environment: by mining, by farming, or by flying jet aircraft, for example. Development also refers to a process of emancipation, a process whereby groups of people as well as individuals gain the freedom to decide together on their futures. These two faces of development merge in certain cases. The provision of sufficient food and shelter leaves time for other things, for choices. On the other hand, development often appears Janus-faces: emancipatory ideologies and activities seeming to stunt economic growth.

In Southern Africa today, development strategies reflect such strains and ambiguities. In the Eastern Cape/Ciskei region in particular, political and economic boundaries cut across one another, and complicate strategies aimed at improving the life chances and living conditions of all Southern Africans. This series of working papers is issued in the hope that more research into development problems will make some contribution to a better understanding of these problems, and to a more effective strategy in tackling them.

The Stella and Paul Loewenstein Charitable and Education Trust established a Chair of Development Studies in the Institute of Social and Economic Research. As a result, a number of research projects related to developmental issues have been launched since 1979. Project results will be reported in these working papers.

**RHODES UNIVERSITY
6140 GRAHAMSTOWN
SOUTH AFRICA**