



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Agrekon

VOL. 9 No. 1

JANUARY, 1970

Editorial Committee: A.J. du Plessis (chairman),
Dr. A.P. Scholtz, H.J. van Rensburg and
O.E. Burger
Editor: Dr. A.J. Beyleveld
Technical editing: Q. Momberg

REQUIREMENTS FOR CONTRIBUTIONS

Articles in the field of agricultural economics, suitable for publication in the journal, will be welcomed.

Articles should have a maximum length of 10 folio pages (including tables, graphs, etc.), typed in double spacing. Contributions, in the language preferred by the writer, should be submitted in triplicate to the Editor, c/o Department of Agricultural Economics and Marketing, Pretoria, and should reach him at least one month prior to date of publication.

The Journal is obtainable from the distributors: "AGREKON", Private Bag 144, Pretoria.

The price is 25 cents per copy or R1 per annum, post free.

The dates of publication are January, April, July and October.

"AGREKON" is also published in Afrikaans.

Contents

	<u>Page</u>
I. EDITORIAL	1
II. ECONOMIC TENDENCIES IN THE SOUTH AFRICAN AGRICULTURE	3
III. ECONOMIC DEVELOPMENT OF AGRICULTURE IN LESS DEVELOPED AREAS: PAPERS READ AT THE EIGHTH ANNUAL CONFERENCE OF THE AGRICULTURAL ECONOMIC SOCIETY OF SOUTH AFRICA IN PRETORIA, 29 TO 31 OCTOBER, 1969	
1. Opening address - The development of agriculture in less developed areas	5
- O. P. F. Horwood	
A word of thanks	10
- F. R. Tomlinson	
2. Aspects of European research on peasant agriculture in Africa	12
- G. M. E. Leistner	
3. Economic and demographic characteristics of the South African Bantu areas	20
- J. J. Stadler	
4. Social factors in the development of agriculture in the Bantu areas with special reference to land tenure systems	29
- J. S. Murray	
5. Economic planning of farming units in certain South African Bantu areas	35
- J. J. S. Weidemann and D. J. G. Smith	
6. The influence of institutional factors on agricultural development in less developed areas	50
- G. van de Wall	
7. Progress with agricultural development in the tribal trust areas of Rhodesia	59
- A. F. Hunt	
8. Agricultural development in South African Bantu areas	64
- J. J. van Wyk	
9. Economic development of tribal agriculture in Malawi	68
- P. Brown	
10. Brief notes on Agrarian settlement in Mocambique	74
- A. R. Figuiera	
IV. STATISTICS	77

Economic and Demographic Characteristics of the South African Bantu Areas

by

J.J. STADLER

Department of Economics,
University of Pretoria

The Bantu Homelands within the Republic at present cover more than 17 million morgen, or more than 57 000 square miles. When all the land, for which provision is made in the Bantu Trust and Land Act of 1936 has been purchased, the homelands will cover nearly 20 million morgen, that is to say, 13.7 per cent of the total area of the Republic.

For the purpose of this paper the approximately 260 separate areas have, on the basis of the distribution of the ethnic and language groups, as well as the present political and administrative classification of the areas and taking into consideration the magisterial district boundaries, been divided into the following six areas:

1. The Transkei, which in 1963 became the first self-governing homeland in the Republic. It is the largest unified Bantu area and covers 4 410 000 morgen or 14 584 square miles.
2. The Ciskei, which consists of about 20 separate areas with a total area of 1 014 000 morgen or 3 353 square miles, and which, together with the Transkei, is the traditional home of the Xhosa.
3. The Natal Areas, (including the Bantu area in the magisterial district of Piet Retief in the Transvaal) which consists of more than 100 separate areas with a total area of 3 684 000 morgen or 12 183 square miles. It is the homeland of the Zulus.
4. The North-eastern Transvaal Areas, consisting of a few large and a number of smaller areas, spread over the whole North-eastern part of the Transvaal, with a total area of 4 377,000 morgen or 14 475 square miles. These areas are inhabited by the North Sotho, Shangaan/Tsonga, Swazi, South Ndebele¹⁾ and Venda. For the purpose of this paper the homelands of all these groups are treated as a unit, seeing that the same magisterial districts

are inhabited by more than one of the groups and data regarding the individual groups are not readily available.

5. The Tswana Areas, consisting of 5 large and a number of smaller areas in the Western Transvaal and Northern Cape as well as the Bantu area in Thaba 'Nchu, cover 3 834 000 morgen or 12 679 square miles. It is the home of the Tswana people.
6. Witziesshoek, a small area in the magisterial district of Harrismith with a area of only 55 000 morgen or 182 square miles. It is the only homeland of the South Sotho in the Republic.

TABLE 1 - The area of the Bantu Homelands,
31 December 1966

Homeland	Main ethnic groups	Area	
		1 000 morgen	Sq. miles
Transkei	Xhosa	4 410	14 584
Ciskei	Xhosa	1 014	3 535
Natal areas	Zulu	3 684	12 183
North-eastern Transvaal areas	North Sotho, Shangaan, Swazi, South Ndebele and Venda	4 377	14 475
Tswana areas	Tswana	3 834	12 679
Witziesshoek	South Sotho	55	182
All homelands		17 374	57 456

Source: Department of Bantu Administration and Development.

THE POPULATION OF THE HOMELANDS - MAIN FEATURES

During the 1960 population census the entire Bantu population of the Republic numbered 10 928 000 persons, while according to estimates by the Bureau of Statistics it amounted to 13 042 000 or 68 per cent of the total population on 30 June, 1968. According to the results of

1) The South Ndebele are identified as an ethnic group for statistical purposes, although they are not recognised as such in the Promotion of Bantu Self-Government Act, No.46 of 1959.

the population census of 1960, 587 000 persons had been born outside the Republic so that the indigenous Bantu population in that year numbered 10 341 000. There is however, every reason to believe that the number of Bantu born outside the Republic is set too low, seeing that the figure for 1951 was 605 000, and it is to be doubted whether any decrease in the number of foreign Bantu in the Republic took place - a rise seems to be more likely. In the Report of the Committee on Foreign Bantu the figure for 1960 was indeed put at 836 000.

As far as the domestic national groups are concerned, it appears from Table 2 that in 1960 the Xhosas constituted 19.1 per cent of the total population of the Republic and was after the Whites, the largest single national group in the Republic. (On account of their larger natural increase the number of Xhosas today probably exceeds that of the White. The Zulus

represented 17.9 per cent of the total, followed by the South Sothos and the Tswanas with 6.8 per cent each and the North Sothos with 6.0 per cent. The other Bantu national groups viz. the Shangaan/Tsonga, Swazi, South Ndebele and Venda combined constituted 7.6 per cent of the total.

Carrying out the policy of separate development of the several national groups would mean that the indigenous Bantu must find a political home in one or other of the Bantu homelands. In the light of the existing and traditional intentions regarding political units, it is necessary that at least a nucleus of each national group should find an economic livelihood in its own homeland. No one regards it as necessary, however, that all the members of a nation need be economically active within their own political area. For this there are many international examples.

In Table 3 the respective domestic national groups (with the exception of the 65,000 unspecified Bantu, some of whom indicated their language as English or Afrikaans in the Census) are apportioned to the six identified homelands. At the same time this de jure population of the respective Homelands is divided among the de facto population of the homelands, that is to say that portion of the population which was actually present in the homelands at the time of the Census, those temporarily absent from the homelands and those continuously absent. It appears from table 3 that in 1960, 4 133 000 persons were actually present in the homelands at the time of the Census (de facto population). This represents only 40.2 per cent of the indigenous Bantu compared with 41.7 per cent in 1951, which is an indication of the migration which took place from the homelands to the White areas during the fifties. This flow to the White areas continued during the sixties so that the ratio given is in all probability lower at present than in 1960.

It appears further from Table 3 that the Xhosas with a presence ratio of 55 per cent is the national group which shows proportionally by far the greatest number present in their homelands (the Transkei and Ciskei), followed by the Zulus with 42 per cent, the North Sotho, Shangaan/Tsonga, Swazi, South Ndebele and Venda, that is to say the groups of the North-eastern Transvaal areas, with 38.4 per cent and the Tswana with 36.3 per cent. As far as the South Sotho are concerned, only 1 per cent live in Witziesshoek, the only homeland of this ethnic group in the Republic.

In addition to the Bantu actually present in the homelands, it was estimated that there were still 651 000 Bantu temporarily absent from the homelands in 1960. They are migrant labourers who work outside the homelands on a temporary basis. If these temporarily absent Bantu are counted with the de facto population, the total of each national group is obtained who still regard the homelands as their normal home.

If the population as identified here is brought into proper relationship with the area of the re-

TABLE 2 - The population of the Republic according to national groups, 1960

National group	Size of population 1 000	Percentage of total population
Whites	3 080	19.3
Coloureds	1 509	9.4
Asians	477	3.0
<u>Bantu nations</u>	<u>10 928</u>	<u>68.3</u>
Xhosa	3 063	19.1
Zulu	2 864	17.9
South Sotho ¹⁾	1 092	6.8
Tswana ¹⁾	1 090	6.8
North Sotho	957	6.0
Shangaan/Tsonga		
Tsonga ¹⁾	377	2.4
Swazi ¹⁾	300	1.9
South Ndebele	291	1.8
Venda	242	1.5
<u>Foreign Bantu</u>	<u>587</u>	<u>3.7</u>
Rhodesia and		
Zambia	37	-
Malawi	61	-
Lesotho	199	-
Swaziland	39	-
Botswana	59	-
Tanzania	15	-
Mozambique	162	-
Angola	10	-
South West Africa	3	-
Other foreigners	2	-
Other Bantu	65	0.4
Total ...	15 994	100

Sources: Bureau of Statistics, Population Census, 6 September 1960, Volume 7, No. 1.

Bureau of Statistics, South African Statistics 1968.

1) Excluding foreign Bantu.

TABLE 3 - The Population of the Bantu Homelands, 1960

Bantu Homelands	Number 1 000				Percentage			
	Present ¹⁾ (de facto)	Tempo- rarily absent ²⁾	Conti- nuously absent	Total (de jure)	Present	Tempo- rarily absent	Conti- nuously absent	Total
1. <u>Transkei</u> (Xhosa)								
Persons	1 372	202	913	2 487 ³⁾	55.2	8.1	36.7	100.0
Male	574	193	446	1 213	47.3	15.9	36.8	100.0
Female	798	9	467	1 274	62.6	0.7	36.7	100.0
2. <u>Ciskei</u> (Xhosas)								
Persons	319	50	207	576 ³⁾	55.4	8.7	35.9	100.0
Male	138	42	101	281	49.1	14.9	36.0	100.0
Female	181	8	106	295	61.3	2.8	35.9	100.0
3. <u>Natal Areas</u> (Zulu)								
Persons	1 203	185	1 476	2 864	42.0	6.5	51.5	100.0
Male	500	173	716	1 389	36.0	12.5	51.5	100.0
Female	703	12	760	1 475	47.7	0.8	51.5	100.0
4. <u>North-eastern</u> <u>Transvaal</u> <u>Areas</u> (North Sotho Shangaan/ Tsonga, Swazi South Ndebele and Venda)								
Persons	832	145	1 190	2 167	38.4	6.7	54.9	100.0
Male	341	138	576	1 055	32.3	13.1	54.6	100.0
Female	491	7	614	1 112	44.2	0.6	55.2	100.0
5. <u>Tswana Areas</u> (Tswana)								
Persons	396	68	626	1 090	36.3	6.2	57.5	100.0
Male	180	47	306	533	33.8	8.8	57.4	100.0
Female	216	21	320	557	38.8	3.8	57.4	100.0
6. <u>Witziesshoek</u> (South Sotho)								
Persons	11	1	1 080	1 092	1.0	0.1	98.9	100.0
Male	5	1	520	526	0.9	0.2	98.9	100.0
Female	6	-	560	566	1.2	-	98.8	100.0
7. <u>All Homelands</u>								
Persons	4 133	651	5 492	10 276	40.2	6.3	53.5	100.0
Male	1 738	594	2 665	4 997	34.8	11.9	53.3	100.0
Female	2 395	57	2 827	5 279	45.4	1.1	53.5	100.0

1) Source: Bureau of Statistics, Population Census, 1960.

2) As far as temporarily absent women are concerned it is assumed that the totals are the same as in 1951 while the temporarily absent men are calculated on the basis of the ration of men of the respective ethnic groups as a whole.

3) The Xhosa nation is apportioned to the Ciskei and Transkei on the basis of the de facto population of the two areas.

spective homelands, it appears that the population density in the homelands is considerably higher than in the Republic as a whole. In the case of the Xhosa and the Zulu homelands the density is approximately three times as great as that of the Republic as a whole. (See Table 4). Although average density figures of this nature are not very informative, they still point to the fact that the homelands sustain a reasonably large number of people and that the homelands are indeed relatively densely populated in spite of the low degree of economic activity within the areas; this will be dealt with later. This is made possible by the migrant labour system by which the income of the inhabitants of the areas from activity within the areas is supplemented by income earned outside. As will be indicated later the outside earnings actually exceed the income (including subsistence production) generated within the homelands.

TABLE 4 - Population density of the Bantu Homelands, 1960

Homeland	De facto population (those present)	Absent and temporarily absent
	Persons per square units	
1. Transkei	106.3	121.9
2. Ciskei	106.5	123.3
3. Natal areas	104.6	120.7
4. North-eastern Transvaal areas	60.4	70.9
5. Tswana areas	33.7	39.4
6. Witzieshoek	67.6	76.0
7. Republic as a whole	34.0	34.0

Of the total of 651 000 temporarily absent Bantu referred to above, 594 000 are males. This represents 11.9 per cent of all Bantu males in the Republic or more than one quarter of the males who still regard the homelands as their normal home. From the available data regarding age classification, and the ratio of males of the de facto population of the Transkei (see Table 5) it appears that the temporary absence is the highest in the age group 25-29 years and become increasingly less with higher age groups. The decline is especially noteworthy after the age of 40 years. This means that the biggest portion of the Bantu males is absent from the homelands in their most productive years.

As far as the increase of the Bantu nations is concerned the de facto population of the homelands increased between 1951 and 1960 by an average of 2.4 per cent per annum and the total indigenous Bantu population by 2.9 per cent. The corresponding growth rates for the individual national groups, as calculated on the basis of the available census figures, are divergent and vary from an abnormally low growth rate of only 0.34 per cent in the case of the North Sotho and a relatively low rate of 2.2 per cent

TABLE 5 - Ratio of males of the de facto Bantu population of the Transkei according to age groups, 1960

Age classification (years)	De facto or population present ¹⁾	Indigenous Bantu population ²⁾
0-4	99	100
5-9	107	101
10-14	101	101
15-19	75	100
20-24	42	100
25-29	39	101
30-34	41	101
35-39	48	101
40-44	52	101
45-49	64	100
50-54	63	98
55-59	79	96
60-64	61	91
65-69	75	89
70+	62	77
Totaal	72	95.5

1) Source: Bureau of Statistics, Population Census, 1960.

2) Based on preliminary estimates by J. L. Sadie, See Lelstner, G. M. E., Economic Aspects of Bantu Migrant Labour, D. Phil. thesis,, University of Stellenbosch, 1963, p. 49.

in the case of the Xhosa to an abnormally high rate of 5.7 per cent in the case of the Tswana and 4.9 per cent in the case of the South Sotho. This abnormally high growth rate is probably partially ascribable to the fact that the surveys in these cases were more complete in 1960 than in 1951. There is, however, also another possible explanation. This is that there was apparently in 1960 a large number of foreign Bantu who gave the Republic as their country of birth. This, with the possibly more complete surveys, can be the explanation why the Tswana and South Sotho ethnic groups show such abnormally high rates. The number of the first mentioned are possibly augmented by Tswana from Botswana who gave the Republic as their birthplace. The same probably applies in respect of Basuthos from Lesotho.

From Table 6 it appears that only 46.9 per cent of the de facto population of the homelands fall into the age group 15-64 years compared with 53.3 per cent in the case of the indigenous Bantu. The corresponding ratios in the case of males and females are 37.6 per cent and 53.6 per cent respectively.

The number of persons in the age group 15-64 years reflects approximately the potential manpower of the homelands. The number of potentially economically active ones who were present in the homelands in 1960, is thus estimated at 1 937 000 persons. If the 651 000 temporarily absent ones are included, a total potential manpower for the homelands of 2 588 000

TABLE 6 - The number of persons in the age group 15-64 years in the Bantu Homelands¹⁾, 1960

Homeland	Males		Females		Total	
	1,000	%	1,000	%	1,000	%
Transkei	230	40.1	443	55.5	673	49.1
Ciskei	57	41.3	98	54.1	155	48.6
Natal areas	183	36.6	377	53.6	560	46.6
North-eastern Transvaal areas	114	33.4	260	53.0	374	44.9
Tswana areas	68	37.8	102	47.2	170	42.9
Witziesshoek	2	40.0	3	50.0	5	45.5
All homelands	654	37.6	1 283	53.6	1 937	46.9

Source: P. J. van der Merwe, Die Bantoe in die Suid-Afrikaanse Ekonomiese Stelsel, unpublished research report, Department of Economics, University of Pretoria, 1968.

1) Only de facto population.

is obtained. According to estimates by P.J. van der Merwe of the University of Pretoria, this potential manpower of the homelands will increase during the 10 years 1960-1970 by 564 000 and during the 10 years 1970-1980 by 703 000 persons.

All the persons in the age group 15-64 years are, however, not actually economically active. According to data regarding the economically active population of the Transkei, including Mount Currie, it can be accepted that the number of more or less the same as the number of economically active males in the homelands is persons in the age group 15-64. As far as females are concerned only 54 000 have been classified in the Transkei as economically active. According to this only 6.7 per cent of the total female population of the Transkei or 11.6 per cent of the females in the age group 15-64 years are economically active. On the basis of these ratios the economically active females in the homelands can be put at about 150 000. The total number of economically active persons in the homelands was therefore about 800 000 in 1960 while a further 651 000 outside the homelands were employed on a temporary basis. Only about 56 per cent of the potential manpower of the homelands is therefore actually economically active.

Consideration will now be given to the scope and nature of the economic activity in the homelands.

THE SCOPE AND NATURE OF ECONOMIC ACTIVITY IN THE HOMELANDS

As already indicated, the total economically active population of the homelands in 1960 was

approximately 800 000. From the available data regarding the Transkei (see Table 7) it appears that avenues of employment outside agriculture in the homelands are still extremely limited. No fewer than 87.1 per cent of the males who were economically active in the Transkei were connected with agriculture in 1960, while 4.4 per cent were unemployed. This means that only 8.5 per cent were attached to other sectors.

TABLE 7 - The economically active population of the Transkei (including Mt. Currie) according to branch of production, 1960

Branch of production	Male	Female	Total
Agriculture and Forestry	221 738	39 051	260 789
Mining	2 332	20	2 352
Manufacturing industry	2 075	118	2 193
Construction	2 749	-	2 749
Electricity Supply	247	-	247
Commerce	2 440	201	2 641
Transport	1 178	-	1 178
Services	10 315	12 078	22 393
Unemployed	11 247	2 835	14 082
Total economically active	254 321	54 303	308 624
Not economically active	328 623	750 435	1 079 058
Total	582 944	804 738	1 387 682

Source: Bureau of Statistics, Population Census, 1960, Sample tabulation, No. 5

The total contribution of those economically active in the homelands to the Gross Domestic Product of the Republic is estimated to have amounted to only R85 million in 1960/61. If provision is made for non-primary subsistence production as was made by the Tomlinson Commission, the Gross Geographical Product (G.G.P.) of the homelands increases to about R118 million. The corresponding figure for 1966/67 was about R160 million which represented less than 2 per cent of the G.D.P. of the Republic¹⁾. By far the largest contribution to the G.G.P. of the homelands is made by agriculture. As appears from Table 8, where the G.G.P. of the Transkei is given, this sector constituted no less than 43.6 per cent of the total G.G.P. of this homeland in 1966/67. If the share of the non-Bantu is excluded from the total, the contribution of agriculture to the G.G.P. of the Bantu alone is still much higher, viz. 53.8 per cent.

1) These estimates are based on calculations by the Bureau of Economic Policy and Analysis in respect of the Transkei.

TABLE 8 - The Gross Geographical Product²⁾ of the Transkei³⁾ according to branch of production

Branch of Production	Total ⁴⁾		Share of Bantu	
	R1 000	%	R1 000	%
1. Agriculture, forestry and fishing	29 819	43.6	29 353	53.8
2. Mining and quarrying	-		-	
3. Manufacturing industry, construction ⁵⁾ and electricity and water supply	3 790	5.5	2 979	5.5
4. Transport and communication	1 931	2.8	968	1.8
5. Commerce and financial services	8 401	12.3	1 794	3.3
6. Ownership of dwellings	1 090	1.6	473	0.9
7. Public administration	6 885	10.1	4 619	8.5
8. Teaching	5 029	7.4	4 705	8.6
9. Health Services	2 024	3.0	1 194	2.2
10. Other services	9 406	13.7	8 460	15.5
Total	68 375	100.0	54 545	100.0

2) Including subsistence production.

3) Including White spots.

4) Total including the share of non-Bantu who in 1966/67 represented about one-fifth of the total.

5) Only private construction; government construction is included under item 7.

Although some of the Homelands have considerable mineral resources at their disposal, especially in the North-eastern Transvaal areas, Tswana and Natal areas, mining does not contribute much at present to the income of the Bantu in the homelands. Manufacturing industry and construction also play only a subordinate role. Altogether there are only about 400 small manufacturing enterprises, especially grain mills and bakeries, in the homelands. Only few Bantu have already distinguished themselves as entrepreneurs in this field. By far the greatest single manufacturing enterprise in the homelands by a Bantu is a cane furniture factory at Hammanskraal.

In the commercial field the Bantu have made considerably more progress. About 4 800 retail licences have been issued in the Bantu homelands of which 3 600 are in the hands of Bantu entrepreneurs. Of the 1 200 licences in the hands of Whites about 700 were issued in the Transkei, a large number of which has already been taken over by the Xhosa Development Corporation.

Seeing that the private industrial, commercial and other service undertakings are as a general rule small and mostly family businesses, they are still unimportant as a source of employment. In this connection the government sector is of much more importance. This sector is in fact by far the largest employer in the homelands. It is estimated that at the least three-quarters of the salaries and wages earned in the homelands by the Bantu, are earned by employees of the Central Government, Provincial Administration or Bantu Authorities. In 1966/67 the share of the government sector in the G.G.P. of the Transkei was R16 million or 23.3 per cent of the total. The largest share of this amount which consisted mainly of salaries and wages, was earned by the Bantu.

A further feature of the production structure in the homelands is that the greater portion of the output consists of subsistence production. In the Transkei subsistence production (primary and non-primary) constitutes about two-thirds of the total production by the Bantu in the homelands (as measured by the G.G.P.)

The cash income earned in the homelands (excluding the portion which belongs to non-Bantu) was in 1966/67 therefore probably not much more than about R50 million.

As far as the growth of the G.G.P. of the homelands is concerned, it appears from Table 9 that the G.G.P. of the Bantu in the homelands at ruling prices increased more than threefold from 1936 to 1966/67.

TABLE 9 - The geographical product of the homelands in comparison with the G. D. P. of the Republic, 1936, 1946/47, 1950/51, 1960/61 and 1966/67

Year	Republic	Homelands (only Bantu) ¹⁾	%
	R million	R million	
1936	706	49.2	7.0
1946/47	1 489	79.7	5.4
1950/51	2 504	93.8	3.7
1960/61	4 965	118.0	2.4
1966/67	8 606	160.0	1.9

1) The geographical product of the homelands for the years 1936, 1946/47 and 1950/51 is taken from the Report of the Commission for the Socio-economic development of the Bantu areas within the Union of South Africa, chapter 24, p.44. The figures for 1960/61 and 1966/67 are based on estimates of the G.G.P. of the Transkei by the Bureau of Economic Policy and Analysis.

During the same period, however, the G.D.P. of the Republic increased more than twelvefold with the result that the share of the homelands as a whole decreased from 7.0 per cent in 1936 to 1.9 per cent in 1966/67. The growth

rate of the G.G.P. from 1946/57 to 1966/67 was approximately 3.5 per cent per annum. During this period the retail prices and prices of agricultural products increased on an average by 3.3 per cent and 3.2 per cent respectively, while the production of maize and kaffircorn and the number of livestock in the Bantu areas, which are the main sources of income of the Bantu in these areas remained over the whole period practically unchanged (apart from fluctuations caused by weather conditions). This points to the fact that the real product of the homelands could not have risen much.

The per capita G.G.P. of the Bantu in the homelands was only about R29 in 1960/61 and R34 in 1966/67. During the two years migrant labourers, however, earned R143 million and R248 million respectively outside the homelands¹⁾. (See Table 10). If the outside earnings are added to the G.G.P. of the homelands, an income of R261 million, and R408 million for 1960/61 and 1966/67 respectively is obtained. This gives an income per head of the "normal" inhabitants of the homelands of R55 and R75 respectively compared with R92 and R142 for the Bantu continuously absent from the homelands and R75 and R112 for all indigenous Bantu. From available data it appears that only about one-fifth of the total outside earnings is taken or sent to the homelands. The total income which the de facto population has at its disposal thus amounted to about R147 million in 1960/61 and R210 million in 1966/67.

As already mentioned the real G.G.P. of the homelands could not have risen much and in all probability declined per head of the de facto population. The Bantu homelands are however, no exception in this respect. In the other areas of Africa the real income per capita also changed little during the post-war years. So for example U.N.O. reported in one of its publications that "Per caput output in Africa (excluding the Republic of South Africa) increased by perhaps 10 to 20 per cent over the last two decades ... the real average income level in Africa has changed but little".²⁾ Also in a recent publication of the Food and Agricultural Organization of U.N.O. on agricultural development in Africa it was pointed out that "on a per caput basis, production was lower in 1962-63 than five years before ... and food production per caput was estimated to have declined by about 4 per cent ... and may in fact

have gone below the prewar level."¹⁾ In the case of the homelands in the Republic the outside earnings of the migrant labourers increased, however, to such an extent that the inhabitants of the homelands could still maintain their standard of living and even improve it. This means, however, that the dependence of the Bantu in the homelands on outside earnings is always growing. In 1966/67 the income generated by the homelands, according to the estimates in Table 10, constituted 39.2 per cent of the total income of the "normal" inhabitants of the homelands as against 45.2 per cent in 1960/61 and 54.7 per cent in 1950/51²⁾.

TABLE 10 - The income of the de facto and the de jure population of the Bantu homelands, 1960/61 and 1966/67

	1960/61		1966/67	
	Total	Per capita	Total	Per capita
	R m	R	R m	R
1. Gross Geographical Product (Income ¹⁾)	118	29	160	34
2. Income of those temporarily absent (migrant labourers) earned outside the homelands ²⁾	143	220	248	330
3. Total (1 and 2)	261	55	408	75
4. Income of indigenous Bantu continuously absent from homelands ³⁾	514	92	935	142
5. Total (3 and 4) ⁴⁾	775	75	1 343	112

1) Including subsistence production. The totals are estimated on the basis of calculations of the G.G.P. of the Transkei by the Bureau of Economic Policy and Analysis.

2) Estimated on a monthly average earnings basis (including remuneration in natura) of R20 per month in 1960/61 and R30 per month in 1966/67. It appears further from available data that the migrant labourers work outside the areas on an average only 11 months per annum.

3) The income of indigenous Bantu continuously absent is obtained as a residual amount after the total income of the indigenous Bantu has been ascertained.

4) The total income of the indigenous Bantu for 1960 was directly calculated by the Bureau of Economic Policy and Analysis. The figures for 1960/61 and 1966/67 were obtained on the assumption that the percentage share of the indigenous Bantu in the total G.G.P. of the Republic in 1960, namely 15.6% is also applicable to 1960/61 and 1966/67.

1) United Nations Food and Agricultural Organization, African Agricultural Development, New York, 1966, pp.5 and 6.

2) The ratio in respect of 1950/51 is calculated from the estimates by the Tomlinson Commission.

1) Compare G.M.E. Leistner, Economic Aspects of Bantu Migrant Labour, (Unpublished D. Phil. Thesis, University of Stellenbosch, 1963) from which it appears that the earnings of migrant labourers in Pretoria, who come from the Northern Bantu areas, were on an average about R20 per month in 1960/61 and that they work about 11 months per annum. Available data show that average monthly remuneration was about R30 in 1966/67.

2) U.N.O., Industrial Growth in Africa, 1963, p.1.

TABLE 11 - The share of the Bantu in the gross domestic product of the Republic according to branch of production and Ethnic Group, 1960

Ethnic Group Branch of production	Xhosa	Zulu	Tswana	South Sotho	North Sotho	Shangaan	Swazi	Ndebele	Venda	Other S.A. Bantu	Foreign Bantu	Total
	R million											
1. Agriculture, Forestry and Fishing	49.4	39.0	15.6	13.3	13.5	4.8	4.3	4.4	3.8	0.6	7.6	156.3
2. Mining and quarrying	31.0	7.9	5.9	1.8	5.0	0.3	0.6	0.5	0.4	0.1	70.4	123.9
3. Manufacturing industry	34.5	42.8	11.8	14.7	13.7	7.4	3.6	2.6	2.6	0.6	7.3	141.6
4. Construction	9.1	7.8	3.5	4.9	2.5	1.4	1.0	1.0	0.6	0.3	1.2	33.3
5. Electricity, gas- and water supply	3.7	2.6	0.8	1.4	1.0	0.6	0.3	0.2	0.3	-	0.6	11.5
6. Transport, storage and communication	15.2	14.7	5.3	4.8	3.7	2.0	1.4	1.0	1.0	0.4	5.4	54.9
7. Commerce	12.4	18.4	9.3	8.8	5.1	2.3	1.9	1.4	1.1	0.6	2.3	63.6
8. Financial services	0.7	1.2	0.5	0.3	0.3	0.1	0.1	0.1	-	-	0.1	3.4
9. Fixed property	2.6	4.8	1.2	1.2	1.1	0.4	0.3	0.3	0.3	-	0.1	12.3
10. General public services	23.4	21.0	8.9	9.8	7.8	4.2	1.9	1.4	2.6	0.7	2.0	83.7
11. Other services	41.6	49.8	20.4	22.1	12.5	4.2	5.0	5.2	2.5	1.4	12.0	176.7
Total	223.6	210.0	83.2	83.1	66.2	27.7	20.4	18.1	15.2	4.7	109.0	861.2

These outside earnings is so far as they are sent back to the homelands, also make possible a more diversified consumption pattern in the homelands, than would have been possible with the predominantly subsistence production. The income of the Bantu within the areas is, however, so low that it is probably being spent entirely on consumption articles, so that domestic cash saving is negligible and no capital formation worth mentioning takes place.

Private investment is therefore also small in extent and consists solely of changes in the number of livestock and the building of new huts. Because of the big fluctuations in the number of livestock, especially as a result of droughts, private capital formation can even be negative.

Public investment has during the past years, however, especially under the influence of the first and second five-year plan for the development of the homelands, increased considerably. In 1968/69 the South African Bantu Trust spent R18.6 million on the establishment of townships and about R25 million on other development works such as soil conservation, fencing, irrigation and water supplies, dipping tanks, trust projects, buildings, roads and bridges.

The most important conclusion to be drawn from the foregoing is that the Bantu during the past years have gradually become more dependent on employment outside the homelands. The outside earnings of the migrant labourers are regarded to an increasing degree, not as a supplement to the subsistence agricultural production (the main activity within the homelands), but as an alternative - an attractive alternative - especially to the more enterprising Bantu who see greater possibilities in employment in the White areas, especially the urban areas. Only the less enterprising and illiterate Bantu seek work on White farms. The degree to which the Bantu already earns his income outside agriculture, is clearly seen from Table 11.

There can surely be no economic objection against a certain amount of "labour export" from underdeveloped areas, but the absence of the largest part of its most productive and most enterprising male population is from the development angle of such an area definitely undesirable¹⁾. At the same time the homelands are

capable of a much higher level of employment and economic activity than the present. The homelands have a considerably higher agricultural potential than the rest of the Republic, while the Natal, North-eastern Transvaal and Tswana areas, also have considerable mineral resources at their disposal. The development of these agricultural and mineral resources is essential for the development of the areas. From the point of view of increasing employment in the homelands the accent will, however, have to fall on industrial development, a process which is probably more problematical.

To utilize the natural resources and human resources of the homelands in order to raise employment and the G.G.P. to a much higher level than the present, that is to say to make possible the necessary changes in the functional field, demand however, considerable changes in the institutional field. "A successful breakthrough in development", Professor J.A. Lombard recently declared, "should primarily be sought in the institutional field - in which case a functional breakthrough could follow more or less automatically"¹⁾. The institutional framework refers here to "the entire system of control over decision making in the economic field."¹⁾ and includes inter alia the system of land tenure, agricultural co-operatives, development corporations, the taxation system and a system of subsidising.

Attention cannot be devoted here to the specific changes in the institutional field. However, other speakers at this conference will possibly refer to certain aspects of the institutional structure. In pursuance of a reasonably thorough study of the situation in the Transkei, together with Prof. J.A. Lombard and Mr. P.J. van der Merwe, both of the University of Pretoria, I should like to conclude with one general remark in this connection. It is, namely, that the Bantu nations ought to be confronted more with their economic problems, in order to motivate them for the change of institutions, methods, laws or customs which may stand in the way of development.

1) For our views in this connection, reference may be made to J.A. Lombard, J.J. Stadler and P.J. van der Merwe, The concept of Economic Co-operation in Southern Africa, Econburo, Pretoria, 1969.

1) J.A. Lombard, Some essential preconditions for economic development in the Transkei, Paper delivered at Fort Hare during September, 1969.