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W11! WE NEED "NEW" SOCIAL STATISTICS IN, SOUTH AFRICA

A summary of our arguments (Section B: Problems of measurement) point towards the methodological weaknesses in the present system of statistical information gathering and of the major problems of measurement:

- i) Population census data is of low quality
- ii) There is incomplete sampling and bad estimates result
- iii) Additional problems are encountered when incorporating estimates of the "independent homelands".

We would in the first instance use the opportunity to make a thorough study of the present available official statistical material and documentation of social statistics. It would be necessary to develop alternative series and data bases, with a view to the planned study of "living standards". The latter work would be, hopefully, part of the survey of living conditions that is being already planned by other South African researchers - at this stage, it is impossible to say in which form any co-operation would take place. It would suffice to say that initial contacts have been made with URDEP and with the SAPES Research Project with a view to co-operation has been initiated.

The necessity of a "multidisciplinary" study would overcome the methodological weaknesses and limitations / bias of traditional / orthodox approaches. The field of economics, demography, (spatial) geography, social anthropology and sociology would provide the infusions within which to carry out our study. A model of the "household" at the micro-level and of the socio-economic structural parameters would provide the macro-level. Such a model needs to be developed and theoretically discussed within the concrete historical and social circumstances of South African reality today.

A complex, stratified, but urban and highly technologically advanced society, co-exists, deforms and "overdetermines" the less-developed periphery - in terms of surplus extraction, labour mobility, resource allocation and physical planning. Compounding this was the South African State's priority in terms of the ideology of apartheid and white supremacy which determined by co-ordinates of a racially-defined militaristic order. By building upon prior divisions of power and authority relations within "traditional" society (including the African, Afrikaner, Indian and Coloured groups) and with a sustaining legitimization for territorial segregation and labour market segmentation, deep-going division between and within these societies were created. As such, the industrializing economy and society developed its own specific physiognomy and social pathology, that cannot be pigeon-holed into comfortable theoretical categories. Categories and relationships that we think need more clarification would include:

- (1) The different "logics of accumulation" within the total economic formation and a delineation of their interaction
- (2) The relationship(s) between productive (surplus ?) and consumption (consumption ?) and the reproduction of the labour force.

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See enclosed letter

- (4) A theoretization of the allocation of labour-time and value-producing / value-consuming functions within the labour market. We look at both the sexual division of work as well as the "feminization of poverty" observable. It would include a discussion of the concept of "place" in the social division of labour and be sensitive to gender issues.

- (5) The manner in which the market-orientated and "deregulated" / "privatization" of public utilities and state controlled concerns has impacted on "living standards" and manpower during the last decade.

It is our contention that by focussing on the above mentioned relationships, and with a discussion of the work we have already done on income distribution and occupational position within the hierarchical racial / social division of labour; together with a study of residential "location" and urban migration trends, we will be in a position to begin to start looking at the skill requirements and the actual training of the workforce in terms

of

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- a) skills and educational training programmes in South Africa
- b) the allocation of necessary investment funds for an alleviation of the unemployment crisis and the housing situation.

A BRIEF LOOK AT GERMAN AND SCANDINAVIAN MODELS OF POLYTECHNIC TRAINING AND VOCATIONAL SKILLS TRAINING SHOULD ALSO BE CONSIDERED. THE RECOMMENDATIONS OF THE NEPI REPORT (1992) SHOULD ALSO BE EVALUATED AS PART FOR THE ON-GOING DEBATE ON MANPOWER PLANNING AND SKILLS TRAINING IN SOUTH AFRICA.

' Dr 5\_ Gool (1983) Mining Capitalism and Black Labour... dealt with the historical origins and formation of the segregated labour market, as well as with capital accumulation in the mining sector, black class formation and state policy in the early period of industrialization, 1890 - 1940. ;55 later work, in the period 1984 - 1993, has concentrated on the changed parameters of state policy, the early moves towards "reform from above" under P. w. Botha and the "crisis of capital" in the last 20 years, while also being sensitive to black class formation and urbanisation questions.

2 Ms Parker has done a path-breaking survey on the Adult Education Programmes at present being undertaken in South Africa, and presented part of her findings at a conference on school-evaluation in Lillehammer in Norway in July 1992. She is at present based at the University of Natal

## BACKGROUND

The ending of formal apartheid and the beginnings of the transition to a democratic South Africa have acutely posed the question of re-addressing the major inequalities in the society: the contrast between the First-World living standards and incomes enjoyed by members of the white minority and black elite groups," and the glaring Third-world conditions of poverty, homelessness, unemployment and malnutrition under which the majority of the black population live. This has been commented upon by many observers and social analysts.

With widespread poverty, and access to welfare goods and services severely restricted by the structural arrangements within the socio-economic order historically created over many centuries, a dire situation confronts the new policy makers and international aid donors. The multivariate crises are compounded by deteriorating conditions in the rural areas, as many have migrated to the peri-urban metropolitan areas, where new squatter settlements housing millions of people have sprung-up. The resultant desperate housing shortages, lack of urban infrastructure, accelerating unemployment, educational crisis and social violence unleashed by the struggle for scarce resources have been compounded by the overshadowing phenomenon of economic stagnation and de-industrialization.

Yet the very ending of apartheid and the promise of a new democratic dispensation have unleashed a crisis of rising expectations, as the black majority expect immediate benefits and rapid progress in the provision of social goods (housing, education, health, pensions), jobs and security provision. Any new government (and whatever its nomenclature) would have very limited funds at its disposal to meet all these needs and expectations overnight. A more realistic scenario would be that the immediate benefits of an end to apartheid would only materialize in the long run. To achieve parity in social spending between the various "ethnic groups" (Whites, Indians, Coloured and Africans) at the prevailing levels of white expenditure, are faced by present-day budgetary levels and current savings. The main problem is the weak performance and the decline of the South African economy.

The economy remains dependent on the export of a narrow range of minerals, while its relatively large manufacturing sector is heavily protected, dependent on imports of capital goods with a very low, declining labour absorption rate and low productivity. Currently, only 7-8 per cent of high-school leavers are able to find a job in the formal sector. Even with a "high" growth rate of 4 per cent per annum over the next decade this will not be enough to provide jobs for those entering the labour market every year (not to speak of those currently unemployed), unless there is a massive programme of investment in labour-intensive employment and the opening-up of skilled training to all races.

There is consensus at all levels (and from all shades of political opinion) that a large-scale programme of social reform and reconstruction in South Africa in the future will require detailed information on social indicators and accurate data (to the extent that this is possible) within many related fields. For example, the specification of future educational "needs" would require information such as:

a) present student population (breakdown in age-structure; region; level of formal schooling); b) which schools exist already (breakdown by type of school - vocational, type of skills training, level of teacher training); c) the structure of the labour market for the skills being taught (knowledge of occupational structure, wages/incomes in various jobs); etc. Manpower and human resource programmes (those in operation already and those on the drawing-board) require planning of available resources (demographic and physical) and projections of future "needs" within specific regions/physical locations. Identification of specific regions where "needs" are great (health needs, for example) would aid the establishment of health programmes.

We have chosen a study of "living conditions", as this makes it

possible to quantify and correlate social variables from the available statistical information and social research (both being done in South Africa and possibly in Scandinavia), within a framework (model) of comparative living standards, work which is being undertaken/completed by researchers at, for example, Sentrel Statistisk Bureau (SSB-Oslo), FAFO. This type of work requires a personal knowledge of, and access to, data-bases and specific research results (knowing whom to contact and where) and these contacts have established. There are many individuals and groups of researchers doing "policy-related" research at various institutions - as well as politically-related lobbies and "service organisations" that undertake specific tasks. But, to my knowledge, there is no single attempt to collect and correlate those existing bodies of information in a manner which will make it more accessible to various target-groups (målgrupper). One of the major research programmes being undertaken in South Africa that would provide an important reference point for my work, is that being done on "ALTERNATIVE ECONOMIC STRATEGY". While there is general agreement that the form of the economy should be a "mixed economy" - there is disagreement on the relationship between the private and public sectors (their relative sizes and spheres of operation); on monetary and fiscal policy (taxation and budgetary questions); on questions related to nationalization and privatisation; investment priorities, etc. The ANC and COSATU research teams have in their published works and workshops (see bibliography) outlined macro perspectives for a post-Apartheid economy and society (ANC Guidelines), as well as studies on the present state of the economy and of a detailed breakdown of specific sectors and industries. The ANC research team has re-located to Johannesburg and is engaged in specialised studies.

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While the importance of a study of living conditions / standards has a functional value, -

making. my pre-study would concentrate on the questions of measurement of social conditions and an assessment of the reliability, validity and legitimacy of the existing (official) social statistics and alternatives being developed by other researchers/institutes in South Africa.

A recent study, - An Analysis

with Implications for Norwegian Development Assistance, points to the basic data lens and unreliability of existing data (pp. 117 -121), while the proposed

sggth\_51;igg by FAFO (The Norwegian Trade Union Center for social Science and Research) focusses on the creation of national representative data collection through "representative surveys (to) secure reliable statistical information..."<sup>2</sup>

However, the concept of "standard of living", as a measurable index with a precise and statistically determined economic aggregate is itself under debate, having a specific genealogy.<sup>1</sup> While some may date the emergence and preoccupation with the standard of living concept only following the Second World War, the expression is in fact very old. However, its precise meaning has evolved quite considerably. originally, it indicated an irreducible minimum income, a subsistence level of living, the cost of reproduction of the workforce, in the tradition of the Classical Political Economists of the 19th century (Malthus, Ricardo and Marx).

The more recent classic statement of standards of living, along with a methodology of measurement, can be found in United Nations,

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definitions have subsequently been taken up in post-OECD market economies. It was in 1940 that Colin Clark, in his book 'The Standard of Living' (London, 1940), offered the first international comparison of national incomes, while Simon Kuznets' work on 'The Standard of Living' (1965)

was regarded as a path-breaking work on the phenomenon of 'The Standard of Living' (with Arne Tostensen), Chr. Michelsen Institute, Department of Social Science and Development, March 1992 (Final draft report). The report was published in the Norwegian Journal of Social Science, 1992, 14, 1, 1-14.

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' Project proposal, written by Liv Torres, April 1992 p.1

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i See, inter alia, the contribution by Serge Latouche in the anthology "The Development Dictionary", (ed) W. Sachs, 1992; Norges Offentlige Utredninger (NOU) 1980:20 "Om arbeid med levekarsspersmal"; NOU 1978:: "Regionale ulikheter i levekar" simultaneous living standard increases in the developed industrialized western nations (including Japan).

Specialists in anthropology and human geography had long concentrated on studying different modes of living (micro studies often). They attempted to describe the ways of life which were specific to a given region or a given social milieu. Quantitative and normative measures were largely absent - a concern with the different qualities of living predominated. Orthodox economists today, however, are able to use the standard of living concept because ways of living have become increasingly uniform with the result that differences in modes of living can be more and more related into different levels of living.

Thus, under the influence of the more recent rise in the level of living, the expression came to indicate a desired manner of living (plane or niveau), or content of living. It is clear that it has become more and more difficult to dissociate the connotation of goal from that of fact. The concept also found itself oscillating uneasily between the two notions of the irreducible minimum and desired level. The absorption of the descriptive (the actual level) into the normative (setting the standard) was revealed by the gradual focus on quantity (and less of issues of quality) that came to dominate the Western

perspective. GNP (Gross National Product) per head, the basic indicator of the standard of living, became the fundamental criterion for measuring the level of development.

The Post-WWII development of a specific system of national accounts, the influence of Keynesian macro-economics, and the development of national statistical institutes were elements which fostered a specific interpretation of the standard of living as a uniform and global ideal, measurable by a specific quantum of dollars, which could at least be referred to, even if not realised. The abstract universalism of the Universal Declaration of Human Rights of 1943 called for indicators of equality for all human beings, which could be applied everywhere. Decolonisation and the expectation of universal affluence was the setting for the "developmentalist paradigm" - which, while imposing the concept of the standard of living as the dominant category for perceiving social reality, also made the increase in the living standards a moral obligation for the leaders of emerging nations.

i "The basis for evaluating both physical and psychological need is utility. The triumph of utilitarianism is thus the condition that has to be met and make ambitions like the maximization and equalisation of living standards conceivable. The reduction of the multiple dimensions of life to what is quantifiable finds its purest mode of expression in money and its locus of realization in the market economy. The generalisation of the market accelerates its motion, which intuitively facilitates its extension. utilitarian reductionism and the obsession with consumption push forward the growth of the market, and the commoditization of increasing large sectors of social life reinforces the calculating and utilitarian perspective.." Latouche, p. 256 (1992)



A 'quantitative reductionism' had thus become entrenched in the logic of modernization, the idea of universal affluence and of an untettered, linear concept of economic growth. The co-pilation of statistics required national accounts and different indicies were often strongly correlated. Thus, GNP per capita still tends to have a virtual monopoly in official reports. Constant reminders about the limits of national accounting (where valuation is restricted to the formal sector of the economy), and arbitrary divisions which lie at the root of social accounting, do not appear to have had any impact.' In popular discussion, "the standard of living" is often equated with disposable income. If people have more money to spend (after allowing for inflation), they are assumed to be better off. This view only takes into account private consumption. It ignores the fact that many of the things which make people well-off are consumed collectively. These things fall into two categories. First are public services (pensions, health care, education, public utilities- as running water) which are paid for out of taxes. These services also make a contribution to welfare - thus public services must also be included in any overall assessment. Second, aspects of welfare which are not bought or sold at all - such as the environment - also need to be included. Most people will feel that their standard of living has declined if, other things being equal, the sit in the neighbourhood becomes polluted. They will make the same judgement if crime rates rise, or their sense of living in a cohesive and peaceful community diminishes. These things obviously bear some relation to public expenditure, since environmental protection, policing and community services are provided by government. But the correlation is not straightforward.

Collective consumption of both these types contributes to what may be described as "the quality of life". This term is often used imprecisely, to denote the less tangible, perhaps less material aspects of living standards. But here we shall use it quite strictly, to mean that component of the standard of living which individuals cannot (or at least do not) consume privately from their disposable income. In our definition, the quality of life is simply the sum of all things which people consume collectively, whether through public expenditure or not purchased at all.

Recognising that what makes people well-off consists of both individual and collective consumption allows us to formulate a very simple definition of the standard of living. .W

1.113. (By, "real" is meant the level of disposable income expressed in terms of the quantity of goods and services it can buy, taking inflation into account. It follows that only if disposable income and the quality of life are rising or falling will it be clear what is happening to the standard of living.)

i One such recent critique comes from Marilyn J. Waring Wigs (1988) (translated into Norwegian as "Hvis kvinner fikk telle", Cappelen, 1991.)

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Measuring disposable income is relatively easy. But measuring collective consumption is not. Things which are not bought at all do not have prices: and though they may have their own indicators, such as the level of pollution or crime rate, these are not easily placed on a common scale. Some of these things, such as a sense of community, may not have objective indicators at all.

These observations lead to an important conclusion. The standard of living is a subjective notion which cannot be reduced to objectively measurable indicators such as income or expenditure, whether private or public. Indeed, welfare is an inherently personal concept: each individual will regard a given pattern of consumption - their own and others' - differently. In this sense the standard of living induced by an economic programme for 5gstainghlngeyelgpmgn; and environmental protection depends just as much on the people who experience it as it does on the policies which generate it.

Concern with the need to take into account the multiple aspects of social reality was present in the remarks of the earliest statisticians of development. The United Nations report in 1954 on the definition and measure of "standards" and "levels of living" called attention to 12 possible components of the standard of living for international comparison. They included:

- (1) Health, including demographic conditions;
- (2) food and nutrition;
- (3) education, including literacy and skills;
- (4) conditions of work;
- (5) employment situation;
- (6) aggregate consumption and saving;
- (7) transportation;
- (8) household, including household facilities;
- (9) clothing; .
- (10) recreation and entertainment;
- (11) social security;
- (12) human freedom.

Johan Galtung. In 19wAzds\_new\_Indisetezs\_9i.nexelenment (1976) focussed attention on the concept of the "satisfaction of human needs" and the idea of a "social minimum". Ideas of "self-reliance", "participation" and "social justice" took their place within the structure and distribution of "needs-satisfaction". Data material should thus contain information on both individuals and families / households. Three types of surveys could be envisaged:

- (1) An analysis of individual living conditions / standards;
  - (2) Analysis of the individual's living standard in the light of its capacity within the household / family:
- ' See, The\_szeen\_Eenn9mx\_:\_EnxizQnmenti\_SQ&einehle\_Dexelgnment eng\_ths\_Bglitiss\_9i\_the\_Ennnze. Michael Jacobs, Pluto Press, London, 1991.

- (3) Analysis of the household's living conditions

This would include:

- status of family members (married, single)
- number of people in the household
- age of children and breakdown by gender
- number of individuals bringing income into the household
- aspects of personal consumption
- foodstuffs purchased (essentials, non-essentials)
- purchases and savings / investment

This would be studied over time in relation to "needs satisfaction". Continuity would be provided by the same type of data to be studied, and the use of the same questions and formulations. The inclusion of ("social indicators" as a measurement of welfare has now become standard practice. The Norwegian Central Bureau of Statistics (553) have devised the following classification system:

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- (i) Population
- (ii) Health conditions and health service
- (iii) Education and educational institutions
- (iv) Culture, time-use, holidays and leisure

- (v) Social conditions and social institutions
- (vi) The Law and legal institutions

8) 59gi9eggnemig\_sshjes:\_mnstems

- 1) Population census
- ii) Labour (breakdown by sector; registered employed, etc)
- iii) Wages and Sallaries
- iv) Personal income and property
- v) Private consumption
- vi) housing and housing conditions

C) Genexel\_E99n9ml2\_snhie9;\_mastexs

- (i) National Accounts / other general economic matters  
(CPI;indicies for private consumption: GDP per capita;  
comparsons of purchasing power, etc)
- (ii) Public administration (social security accounts; tax  
data: public sector finances)

d) suhjeas\_mettezs\_relAsen\_Inn\_sg2inl.9zsnnisnsinn\_z\_nglitiss  
standardized questionnaire for interviews on living conditions  
has been developed by the OECD and the UN Economic and Social  
Council ("Progress Report on National Work on Social Indicators"  
-1978). The UNDP has'developed its own "Human Development Index",  
which is an attempt to measure the quality of the socio-economic  
environment (as reflected in child mortality rates) focussing on  
life expectancy, adult literacy and income levels.

Historically, the South African labour market was racially segmented. A colour-caste racial hierarchy was established between (and within) occupations grafted onto a pyramid of income differentials with whites on top, Asians next, then Coloureds and finally Africans at the bottom. This was followed through the first phase of industrialization, based as it was on mining and agricultural production. The wages of the different ethnic groups tended to move together in the same direction and institutional hindrances prevented skill training and wage improvements for large groups of blacks. The system of labour allocation introduced after 1950 (labour bureaux) tended to:

a) reverse the urban -directed migration trends of rural Africans in the 1940s.

ue/ ;

b) placed downward pressure on miners and farm workers' wages.

c) tended to limit the growth of wages in the manufacturing sector.

However, this centrally-controlled system of labour allocation proved to be extremely costly (having to come from company profits / taxation), while also retarding labour productivity. To compensate for the latter, i.e. to raise productivity, most firms employed relatively large numbers of "overseers" (black 'boss-boys', white and coloured supervisors and foremen) whose wages also represented a cost factor.

There were numerous reports of the very low level of African wages in the 1970s. Public attention in the overseas press forced many foreign-owned firms to improve wage and working conditions for their African employees - the US, UK and the (then) EEC adopted codes of practice. There were a threefold problem confronting this reform process:

- 1) of raising the absolute level of earnings of such workers
- 2) of adjusting the relativities between different categories of workers
- 3) of compensatory costs claimed by white workers due to competition from blacks in the same job.

In short, to reverse the process of rising white income, black workers' wages would have to rise at a higher rate than whites over a period - the length of which would depend directly on the difference in the rates of increase for the various racial categories. A project for the extensive upward adjustment of 'black workers' income would also require relatively high levels of economic growth sustained over a long period. The likely

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inflationary effects of such a wages policy would also, in turn, put a severe strain on the loyalty of white wage earners. There was a positive correlation between high levels of white remuneration and political organisation and power.

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The emergence, as a result of nearly 30 years of economic growth after the Second World War, of a relatively developed and complex industrial economy in South Africa, in which manufacturing now contributes a larger proportion of output than either mining and agriculture combined, has led to a shift in the power relations in South Africa..

The relative scarcity of white workers, to whom apartheid had guaranteed a monopoly of skilled jobs, forced employers to break the "colour-bar" restrictions and increasingly to recruit Africans for semi-skilled and even skilled positions. The long term effects of this process became clear in the 1970s and 1980s. The proportion of Africans in non-manual and skilled manual occupations more than doubled as a proportion of total employment, from 0.6 percent in 1965 to 14.1 percent in 1985. The same study found that, between 1976 and 1985, explicitly racial discrimination had become less important and that "differential grade attainment" - the fact that Africans were still concentrated in less-skilled grades - more important in explaining the gap between white and African wages. Moreover, there was a tendency for racial discrimination to decrease the more skilled the job concerned.'

There were increasing signs of an integration in the formal

labour market, developing alongside the historically segmented and racially split labour market.

Four official reports undertaken between 1979 and 1981 stressed the need to increase the supply of skilled black labour in order to avert a "skills crisis". Wiehahn, Riekert and the educational reforms mooted in the de Lange Commission's report - which were designed to integrate the labour market - began to come into effect when the South African economy was becoming less dynamic. Over the decade 1965-1975, the annual growth of non-agricultural GDP averaged 4,8%, whereas over the decade 1975-1985 it averaged 2,2%.

The period 1973-1977 saw the sharpest reduction in wage differentials in mining (chief employer after agriculture) the reasons being attributed to:

i) the high price of gold

.McGrath, "Economic Growth, Income Distribution and Social Change", in Nattrass and Ardington (1990).

1 One measure for measuring this would be to use the Duncan and Duncan "index for social segregation" formula

KL'distribution ln incomecgway from whites to blac

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11) uncertainty about the availability of forei n black labour (gmeRM (59...ng w.4fy'-eat

111) competition from manufacturing for local black labour.

Black shares of personal income rose from less than 30 percent in 1960 to 41 percent in 1985. The following table shows the estimated real disposable income per person, in 1983, according to racial group:

Annual disposable income per capita (1983)

Rands

White 6 242

Asian 2 289

Coloured 1 366

African - metropolitan areas 1 366

- non-metropolitan 388

Source: Wilson and Ramphele (1989)

In 1980, whites (who constituted less than one-sixth of the population) still earned almost two-thirds of the total disposable income, whilst Africans (who made up nearly three-quarters of the people) earned only one-quarter.

The distribution of income was mirrored by the occupational distribution of the racial groups in the labour market. Whites have traditionally held the key positions in the modern sector. In 1980, they filled 60 percent of .the professional and technical positien, 92 percent 0 the managerial and administrative positions, 61 percent 0 the clerical jobs and 45 percent of the sales workforce. (See Tables 1-4: Selected Occupational and Racial Shares of Total Employment 1965, 1975 and 1985, as percent of total employment.)

Over the period 1970-85 real earnings (after allowing for inflation) of African workers in major sectors of the economy increased markedly (See Tables 5-6: Changes in African real earnings, 1970-85: and, Average monthly earnings, by racial category, 1980). These statistics and other indices indicate that since the 19703 there had occured a marked iill13 in the

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marked for Africans in the urban economy.

While it was the first time in South Africa's economic history that such a redistribution has taken place, these real wage increases were unevenly distributed among the black working population: it affected unskilled workers less than skilled workers, migrant labourers less than urban workers and excluded agricultural and domestic workers.

Consequences of the more de-racialised labour market:

a) the South African labour market has become more integrated between mld-1970 and 1990. This would indicate a change in especially '

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the racial balance of power in the broader society.

b) less wage discrimination between skill categories and a grater "overlapping" of skills among all races.

c) the greater degree of racial competition in the middle-grade occupations has tended to raise the pay of the more skilled blacks and lowered the pay of the less-skilled whites.

It has been suggested that the decline in racial wage dlscrimination may partly be the result of the greater adoption of jgb\_gyaluatign\_methgng as the basis for wage determinationB Thls skill acquisition has led to greater bargaining power as the new industrial unions can testify. Increasingly, the new non-racial industrial unions were able to secure better wages for their skilled workforce.

In summary, as an observable trend, between 1976 and 1985 real wages to Africans ingxgaggg by 3.0 percent per annum, while the annual increase in the mean real wages of white workers averaged only 0,6 percent. The ratio of white to African wages in the modern sector thus narrowed from 4,6:1 to 3,7

. :1, a

redistribution of approximately 20 percentCDmklkMN-4A'KY

It is reasonable to expect that the narrowing of the white to

African wage differential would have been due to

- a) a change in the occupational structure
- b) reduced pay discrimination between different racial groups within the same occupation

The results of an econometric analysis<sup>1</sup> identified the contributions which:

- (1) grade mobility, i.e; occupational mobility as measured by the Peromnes system of grade classification<sup>1</sup>, and the introduction of job evaluations schemes (with its emphasis on "equal pay for equal work"), and
- (2) reduced pay differentials, made towards the narrowing of racial earnings.

This reflected a new balance of power in industrial relations, signifying that racial discrimination was being removed from legislation and industrial practise. While there was a slow removal of statutory job reservation (whose phasing out was completed by 1984), there was only a slow growth in African apprenticeships.<sup>1</sup>

<sup>1</sup> McGrath (1987)

<sup>1</sup> ibid

<sup>5</sup> Peromnes scale is a manner of differentiating skill from Grade 1 - top management/executive "top jobs", to Grade 18((uuaoef) (from Grade 13 is "unskilled" manual labour).

<sup>1</sup> A SALDRU researcher) P. Lundel ,has looked at the recent development of apprenticeships in the metal industry.



Although there has been an increase in the Gross Domestic Product (in 1985 prices) between 1980 and 1988, population growth and inflation has negatively affected per capita income (see section on "Methodology: Problems of Measurement").

The Gross Domestic Fixed Investment (GDFI) declined in South Africa at an average rate of about 3 per annum. Over the period

1984-1987 GDP declined by 23.79%. Total 16ml H<sub>2</sub>O-Qi

A change in the composition of GDFI has been noticeable: a fall in manufacturing and construction

in the percentage invested in manufacturing

(leading to widespread idle-capacity and non-utilisation) and an increase in the financial and trade sectors of the economy. This could be due to changed government economic policy and also in keeping with international trends. Some conclusions from the above would show that over a long-term period, 1960-1990, decline in the share of agriculture

(A) there had been a net decline

in the mining sector has also

been negatively affected. The mining sector has also

both secondary (especially manufacturing)

and tertiary (service sectors, for example, commerce and trade)

demonstrate a gradual expansion and have consequently gained in their shares as creators of employment.

By definition, these two sectors demand more skills than in the case of agriculture and mining. Despite the increase in real earnings for Africans that took place in most parts of mining, manufacturing, construction and government services over the fifteen years since 1970.

Among the middle-level employment, which includes the

services and the public sector, we find

here African wages are highest (finance

and a few African employees compared with

others where African wages are lowest

ratio of

(B) by contrast,

A closer look at

mining, manufacturing,

that in these sectors with

and energy) also have very

high wages, while those sectors

(mining, trade and construction) have the highest

African to white employees.

In all, "black advancement" as measured by the extent of upward occupational mobility has been noticeable but limited. Using three

possible definitions or "top jobs":

a) Managerial, executive, administrative, professional, semi-

professional and technical

b) "All non-manual" (supervisory)

was the summary of the Second Carnegie

study undertaken in South Africa, but

within the black strata

i) Uprooting Poverty

Investigation into Poverty in

South Africa, this time concentrating on poverty with

Nikow ml a while mm)

1

c) All non-manual plus skilled artisans

from 1970

Since 1970 employment increased consistently in all

last decade - in the 1980s increase was especially noticeable in the

occupations. (middle-class and "most skilled" non-manual

excludes the "homelands"), The tables provided

in the report

administrative and professional employment, is 2:1 in the 1980s

wage indices, as well as

that on the "skills shortage"

5 would also affect the discussion on skills training

seems clear that the ideological component aboairiifen "skilled" does have a clearly Th  
5021::3 gsisgspairigproaches to the analysis of South African (variants of materi 11War II, the liberal and "revisionist" different as act 8 st analysis) have also tended to focus on industrial sill: of the system. The liberal view identified the 19605 as being sthsehozgggg Sggch developed by the end of the "dystnctionaln to the inteci'estcse ogfczag::EZ%ied',aa-nv&d na;%eing  
It  
eco:g;ee5\$xxjggfhfed out that the racial stratification of th uncertainties aed its further growth, and that the sociale bureaux) the Gn disruptions caused by influx control (labour apartheia undgouf Areas Act and other central institutions of industry and 1113523 tiiedi'iciivity "d promability Of consumer society ("underdevelopedg cgnsage: jggxggg?y national Eggs;\$::isopgisticated "revisionist" authors argued that the state's l;:El ty of racial discrimination (including the provided hi Kr allocation policies in the 19505 and 19605) mining indugt rates of return on capital (especially in the effects of t: ry), but that by the 1970s the contradicto to capital a e apartheid policies had itself become a hinderangg State has icumu ation. At certain junctures in the past the on y been to willing to concede to the "requirehents at Capital" - possibl 1  
indUSTrialization phggef3yhat we could call the early Extenslls B .  
livgitaggliliigq labour and employment practises, raising the with increas d s and of closing the racial incomes gap-albiet increase th: wage remunerationg would, all things being equal integration iggEMEdgggiziiggnzgus:3gur and make possible its the State alon th etween caital, labour and possible. 9 e lines of the older industrial societies,more  
' See Kraak (1989)  
V (W 4M114233ML'MW-M4MLA'4M)

Q

The right to centralized bargaining  
and procedures for negotiations 23d  
which these are to operate are still  
Egg: ;::n:: arfe occurring. in the early 1990s, and only after'.  
3 ggles Edigicggrtuition fof African unions and after harg  
tru . e o the Jneven rela  
. 32:12:52.5 land ehployees. . .V t1 might 59:: relbgetween  
achieved? ar by international stan ards - after 31? thege:Lvely  
and in then UBsr.'iitai::xhby 1910, Scandinavian countries before 13::  
their 0 . n e 192.305. However, hese'pr cesses hav h  
The Wiganahsxfeglfifg dynamicsmab ism u.- Ktv 3&4?! 'Mad  
ommission Report (1979- 1983 a  
, nd '

??:31Zazzbsaottglhtb;otiediess the problem of the skiff: sggigagg  
'e ncreased emigration of '  
the country, coupled With a low rate of immigratiozrgltszgiigzgg  
from overseas, which in t  
. urn led t ' ' '  
white artisans into more lucrative jobs)?he upward mobility Of  
the appropriate structures  
the. legal structure within  
being hammered out.  
!

ggzgxrzr, tieeporlelib found that despite the opening up of the  
qualify as art' er of African workers being indentured to  
Apprentices bisans was small (see also Tables 15 and 16' New  
technicians y Race). It was found that the demand. for  
pool"" and ghastr growing at "double the rate of the labour  
percent f a only 1,4 percent of south African men and 0 4  
0 women were working in the technical field. Mote  
recently, the shorta e of t ' ' 1  
percent, and is stillgrowingechnicians was estimated at 10,7  
Var'

Afriggrsm :gziggs tgaVStugSenfof caffizx'eili for the reluctance of  
\_ a e; amon ot '  
ggggtivfaiye low status of technical jobs vis-agvis tiiee 1:01:25  
inadequatelver' the skills shortage is being partially and  
y, resolved by industry's ability to fragment ljobs  
Fragmentation inhibits the i '  
. ln-s . . . .

apprentices for skilled positioxs glce certification Of Afncan  
11.23::nssbegrirsiglrtroduced into South Africa for three important  
fragmentation- y, there is no legislation restricting job  
manual-labour: secondly, bla\_ok trade unions represent mainly the  
little ressmg jobs (sem17skilled), and consequently exert  
fra entp b tire on the private and public sectors not to  
gm jo s, and, thirdly, there is a vast pool of unemployed  
blacks who are re  
employment. p pared to accept almost any form of wage  
A situation exists where ma  
fewer artisans and provid  
labourers to assist them w  
my business firms would rather e  
m lo

\_e them with a number of "unskilr laedx  
lth the job. The "unskilled" labourers  
h-  
' Voss (1985) and Bot (1988)

II

P J Clase (Then Minister of Education and Culture, White  
Own Affairs) address iven t '  
Technicon, Oetober 198?). O the Openlng Of the cape  
. Aigf Hm (Milk; R&m (AMA ) \$4.16vsAMlB1  
2

are taught ("on the job training" or learn from experience)  
parts of the job which they can carry out with a great deal of  
competence. Firms often send out the plumber's assistant or the  
mechanic's aide to do minor repairs. The "unskilled" labourer  
will call upon the journeyman only if the job exceeds the bounds

of his "narrow" competence.

In many cases, these competencies are not all that narrow, as, with experience, many African "unskilled" labourers have become skilled but unqualified and, in fact, do the artisan's job. Economic restraints forces the unqualified worker to accept this subservient position: jobs are scarce and there is always the threat of being replaced by another African worker. Firms resist the unqualified worker's attempts to change his status because it would undermine its potential to earn extra profits. The firm, by using unqualified artisans to do artisans' work, makes an extra profit: it charges artisan's rates while paying labourers' wages, and pockets the excess.

The system also works to the advantage of the white artisan because the more menial, repetitive and dirtier jobs can be done by unqualified artisans. The artisan is freed to do more demanding and interesting supervisory tasks, at a larger remuneration (some artisans in large firms would train their aides and then withdraw from the job altogether to do private work. )" Rana! IMW

The skills shortage is being met by firms unfairly utilising their African workers' unprotected position to impose a form of "unofficial" skills apartheid on them. However, while job fragmentation can be cost-effective (though exploitative) - where the unqualified workers is properly trained to carry out his tasks - it could well be more expensive and inefficient, as when the artisan delegates his duties to inefficient workers and the tasks have to be done over again. Besides causing loss of time and money, it is also hazardous and can cause fatal accidents (as in the mines). .

African workers on relatively short-term contracts often fail to master the skills of the job due to a lack of job continuity. Hence the demand for labour stabilization and legislation for proper training and certification of African unskilled artisans. This would also help to enforce the payment for the rate for the job.

There are other forces in society working to undermine the artisans' qualifications and position. When the "unskilled" workers acquire the necessary skills through experience, they move out of badly-paying subordinate jobs to work in the informal sector, and are able to compete by undercutting the rates charged by the former employers. This is what is happening in the townships - many taps and cars are being repaired by unqualified artisans because they can offer the same skills

"'7 .  
Kraak (1989)-#g Cocxrc/Mu, M Mv-H of (OMW 71mm (u #4:.  
MeM-cfvn' (cdvrIszu(ar/7\_#b 5% I 67,444! thaw on skj/kd  
Wkswgtl M(a. usu/K of'Joulhq" magma. )' '2'" / c-ua/e. hmu.  
fwdvdum fcdm'qves ('dcgla/Adg' d 'lwaaajww dem; (.5 5M  
vMersW; OWQ'WM3wcj W ' qka/dQ/jaeca/uf 01"de  
! 'twekg1, Wyn uu-n-M P6 N.

, although apartheid may have "cheaped" black labour through repressive policies, on the other, it simultaneously allowed for the growth of black worker bargaining power by creating (skilled) labour shortages and via influx control legislation, helped to protect urban workers from competition. Likewise, negative interest rate policies and tariff protection, which encouraged capital accumulation, took

its toll on profitability in the form of a declining output:capital ratio (low productivity). Excessive product differentiation (a characteristic of over-protected industries) also helped reduce profitability because the internal market was too small to allow for product runs of a size sufficient to be economical (low mass purchasing power). A realization problem developed, as the products of mass production were not in line with the mass consumption base of the population (contradiction between profits and outlets u.a4464g

Her argument rests on the conceptualization of the rate of profit : rate of return on capital employed, and of the distribution of the social surplus product into a wage share and a profit share. Moreover, the empirical evidence presented shows a rate of return on manufacturing capital as declining from 44 percent in 1948 to 9 percent in 1986. While the profit share in South African manufacturing industry has been consistently higher than in Europe (high rates of return on capital employed), expressed both as a proportion of capital employed and in terms of value-added in production, the long-term trend was a decline in the rate of profit. She has deconstructed the trends in the profit share as follows:

For the period 1948-1955:

"..the white:black wage gap grew by 3% per annum and despite the higher rate of growth of black employment, the white share of the wage bill rose from 61,7% to 63,4% over the period."

But, between 1955 and 1975:

"..both white and black product wages grew faster than

11

unlikely that -there will be a significant decrease in the absolute numbers of people living in any sector (rural, urban/metropolitan) in the period up to 2010 as the general population increases. since 1980 the areas of net in-migration

12

ion between wages

lus available for distribut . u

2:: Sgggits (thus) driving down the rate of profit.

1 d 1970\_1975: have cverwelmingly been the existing metropolitan areas and most

By the per 0 hit particularly the "homeland" part of the metropolitan areas (for

' creasin faster than W e , example, Winterveld in Bophutatswana near Pretoria, Inanda in -, .black preduCthigeiezizgtgnthe movgmt of black 1 Kwa-zulu near Durban). This indicate s that people have not been

PIODuCt "895:. occu ational ladder and the growth of moving en masse from the homelands i nto "white" cities. Rather,

workers 99 ilitan: " most have been moving from white farming areas into informal

trade union n Y' settlements in the homeland areas, near the major metropolitan

d 1981' complexee \_ the cities particularly are under pressure. Some

Between 1971 an - i h factual indicators are: there is a formal housing shortage in

' roduct wages wh c urban areas of some 850 000 units (excluding homelands): more

w..there was Ehefilntrtgszhigebfack product wages than 7 million people live in informal housing circumstances -

COUPensated for refit share was able to rise. In a as "squatters" (in free standing or ba ckyard shacksL

such that Ehihg 1948-55 situation, black workers and outbuildings, garages, etc. Of these , some 2,5 million live in

zzgiizgisgs were able to gain at the expense of the the inner PWV (central Witwatersrand area) and 1,7 million in

greater Durban (Natal).

ECONOMIC GROWTH AND POPULATION GROWTH

white workers".

Gross Domestic Product (GDP) since the 19605 has been slowing

the primary

For the South African gpopulation as a whole,

geographic division is between those who are urbanised and those

h t tal metropolitan gain foaiexfd :ylggsslgxer growfh from 1972;33 0: 3,7%, agd

\_ - rural areas. T e 0 e ween .an , e annua average gro ra e was 1,40.

:::tiati::i?gn tgbaihznnd peri-urban househiigig sisaeggzgzzgagg An imagease ln unimplgyTE HF anghinfl9tion wgs to mirk th: 19805,

was 63% in 1983, w 16 as we as a ma pr a in e prices 0 expor pro ucts, a

if thzszoggl7ggp::?g%?B " Urban growth will occutta: a gijtzg secular trade deficit, a gr owth in the foreign debt and a severe

ncre ' This is no eca -

reduction of productive investments."

lation rowth- .

pace than general popu g The population growth rate in the 1980s has been over 2% er

. . . . ut

hi her natural increase (births minus deaths) in t2? cgggezitges

because of migration. Rates of natural increase idown of the

are in fact lower than the national average. A brea

. 1 that of employment creation in the formal sector. Employment figures

f the urban population by ra6lal group revea 5 reveal that only 500 000 of the c. 3.9 mil lion new entrants to

gerigggaggege were the labour market were able to find employment in the formal n , sector.

Azizn 33:2: One major methodological problem is estimating the economically

W i : ed 77.4% active population (BAP): according to official statistics, there

C? i :n 39.4% were, out of a total population of 28,8 million persons in 1980,

A r c t lies in accomodating gene 9,e million\_(3%) wheiw:rel:fconoq%eaty active:. This

. len es in the Eu ure igute is apptoxlma e, an nc u es a use wor lny in

One ff th:s:azsf igikcang urbanisation. prognoses Of ??izg:; sub3lstence agriculture and in the se-called informal sector. In

ngangggiion reveal an increase to from abigf iiiigi3n2: urban 19:? there wete :0,6 ?illii n "economically activegg of which 7,7

ion in 2010 - some m mi ion were ln orma emp oyment. By June 1990, ere were 12,2

in 1:851:02g2;:::..n\$gg'perLentage of all black Peoplzsgvivagg i2 million BAP. This latter figure regresents 32,5% of the total

zgzpdiban areas will increase from 35 percent (19 I population, asi opposed to 36% in. mi d-1989, signaling an

percent (2000) to c' 50 Perim 220301); the metropopman areas EEEiEWffEciilsRZsifviniiiiui

5:13;)"23333 itpiiiusiuggisleeihi

The total blafEMEZEggoegeogfgeper annum With about two-thirds national total of 6 million unemployed (previous estimates

"1thizegig:r: resulting from the natural gratin of1::;:xgg 1:? ranged from low 3m. to a high 7m.). The Development Bank of 0 ird being e pro

urban population and about one-th

' hift in the future

. ma or anticipated population 5

:igagtcgroihethe jrural areas to the metropolitan areas. It is m-

" See my article: "The Crisis of Capital Accumulation in South Africa" (1991).

South Africa (DBSA) estimated that the total number of people

" See Diagram in Appendix: Urban Foundation (1990)



outside of formal employment as 5,4 m, which would represent 51,3% of those in employment age.

An estimated 17 million people in South Africa are living below minimum subsistence levels. The DBSA points out that GDP per head of the population (average per capita income) in 1970 was R3,531 but fell to R3,285 by 1989 - a 7% drop. But as this is a "national average", these figures are pulled upwards by the disproportionate incomes of the white population.

#### THE PROBLEMS OF MEASUREMENT OF 'POVERTY'

The poverty datum line (PDL) was introduced to South Africa by Batson at the University of Cape Town during the Second World War in order to help measure the extent of poverty in the rapidly growing slums and townships of the Western Cape. It was subsequently refined and modified, at the beginning of the 1970s, as the trade unions re-emerged as a force for change and a measure was needed in the discussions with management about minimum wages.

The minimum living level (MLL) and the supplementary living level (SLL) developed by Nel are used by the Bureau of Market Research at the University of South Africa (UNISA). The household subsistence level (HSL) has been utilised by Potgieter at the University of Port Elizabeth. There has been considerable debate about the reliability, validity and methods of collection of social statistics in South Africa which has been found to be laden by ideological considerations and a significant bias was observable.

In South Africa as a whole, including the reserves, the proportion of the total population living "below subsistence" (1980) as measured, by the urban MLL, was estimated to be 50%. For Africans throughout the country, the proportion was estimated to be nearly two-thirds (60,5%), whilst for those living in the "reserves", no less than 81% of the households were living in dire (absolute) poverty.

"Income" is closely related to "Race" in South Africa: whilst almost one-third of all African households earned less than R 500 per year, only one in five were so poor. Similarly, whilst 95% of all African households had an annual income of less than R 3 000, only 11% of whites were in the same position. The average "black" income was c. R500 per month while the average "white" income was c. R2 500 (a 1:5 ratio). However, such statistics/data should be treated with extreme caution. Statistics used to describe disparities or equalisation of wages in South Africa, which would reflect per capita GNP, could conceal the actual experience of many South Africans since they fail to indicate who consumes what proportion of available resources.

It is also important to note that these statistics refer only to income streams and not to the stock of assets (such as land, housing, or industrial shares) whose distribution between racial-castes is likely to be very skewed. Nor do we, for the moment,

the rural population, numbers of those where better and sh'

seen 1960 lifts in risen from 13 million in poverty in 1960 to 17 million in 1980 the absolute

expenditure on necessary items  
housing (rental) Such as:  
commodities")  
health costs and medicine

Quality of life indexes would include (inter alia)

Percentage of population with access to improved water  
Percentage of population with access to sanitation facilities

l a on  
t Percentage of  
treatment Population with access t  
0 health care/m  
edical  
i Percentage of  
read/write) and npomllatimul that are wliterat (I  
- General (p011 I  
\_ ta '  
General Sales)Taxxes  
- other levies and f(now Value Added Tax)  
Taxation gene  
ral  
ly lowers the bundel of wage-commoditi  
es that

' 1k

can be purchased by wage and salary earners i.e. taxation would affect the disposable income and the level of real consumption it could support.

In South Africa, while there is evidence of changes on the ratios of personal disposable income between racial groups, changes in the tax revenue system and tax base indhoates a shift towards a greater share of revenue from

a) direct personal income (.12, 96% (72:09.? ' '(1) laWLRB, L?

I 1 1 (I

b) Sales Tax (now V.A.T.) , i&31k'c" e thidr5ESkJGie4A

/ m A'PPQNLLK.

at the expense of company taxation and mining. Indirect taxation (V.A.T.) and the removal of state subsidies on certain "essential foodstuffs" (bread, milk) have increased the burdens of households in the lower levels of income distribution - they have no alternative cushion (in the form of transfers from the State - family allowances, pension funds) to hold physical consumption constant in the face of inflation. Those who benefit most from the changes in taxation are married white couples who lie relatively high up in the income scale: white households who , earn in excess of R 50 000, The 1989/90 State Budget "increased : the relative tax burden of the poorest groups in the economy, while providing tax relief to higher tseome f i ies". (McGrath and Holden, 1989) -44. sew now can! ?Vieolfnt-qz W

Less than 40 percent of white households in metropolitan areas have incomes in excess of R50 000, whereas less than 10 percent of African households in metropolitan areas have incomes above R25 000.

#### COMPOSITION OF STATE REVENUES J

(R m. and %)

1974/5 % 1989/90 %

Individual/Personal 23,7 31,6

Income Tax

Company Tax 25,8 17,5

Gold Mining 17,1 3

Sales Tax 3,9 28

There is a form of regressive taxation oocuring, which is especially marked when taking into consideration the forms of increased indirect taxation that affects black lower income families greatest (they have a greater propensity of use a larger amount of their wage income on consumption goods, a reflection also of the larger families in black households). Higher Income Households spend a smaller proportion of their income of foodstuffs (16.3%), as opposed to Lower Income Households (26,9%) and Lower Income Households (35,3%), but a ll

proportionately higher amount on services. One result\_is tha: lower income households are very respon5lve to rising foo prices, while higher income households are more sen5ltlve to rising mortgage and interest payments.

#### EXPENDITURE WEIGHTS OF

THE CPI in 1985 (%)

All items

Lower Income 18,73

Middle Income 27,35

Higher Income 53,93

Food 22,70

Lower Income 35,30

Middle Income 26,90

Higher Income 16,30

Housing, Fuel & Power 23,60

Transport 17,20

All other items 36,50

The inflation rate is obtained from the annual percentage change in the Consumer Price Index (CPI), and the CRI is at present derived from expenditure patterns as they exlSted in the 12 major metropolitan regions. The exgendltures of all thi.raoe groups are included, as are all income classes. Peop e. in informal housing are not included in the surveys. The prices

from which the CPI is derived are obtained on a monthly basis (applying to the first seven days of the month) and the prices of consumer goods are collected from formal retail outlets in the metropolitan regions.

' come data for the race groups collected during the Eigengiture surveys are consistent with the incomes estimazgd from the population census." Survey and Census data form 0: basis of the calculations that whites receive in excess of 6 a of total personal income, and that their share has been reduce since 1970.

The expenditure weights of the income groups (above) are broadly consistent with all the other major research on income distribution and expenditure of the economy (See Figure: d Annual Percentage Change of Income Group CRI). The food expenditure weights of the income glasses (which corresggn) largely to African, Coloured and Indian, and white househ: 1:5 appear as would be predicted, With higher income house 2' spending a smaller proportion on food but a higher proportion on services. As a result of these expenditure patterns the 'w income index is very responsive to escalating food prices, while

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" McGrath (1983)

"1 no

t 12.  
the high index is much more sensitive to rising mortgage and interest payments. .19.  
The performance of the three CPIIS is shown in the Fieure (x) (legally constrained). Some times this employment can involve  
It is interesting to see how rapidly the annual percentage . work in the home, especially if the wages are based on piecework  
change of the middle and high group CPI's escalated in 1985 when rather than on hourly co mpehsatieh. V '-  
interestcggtesdrose,dand 20: the annual escalation Of these Karket income (or profit) se ems'straighttorward in'theacas'e 01'  
tau 5 s to  
group the middle age 19:55\_ 131:: eigwrzgiipfsenangzii 2::cgizigg ' commodity sales. If s omeone in the household makes something and  
inflatlon rate is heavily dependent on trends in food prices, :93: 1:: sin?! 3:: 13:15:: 2:13;?uggnfo?:xn::d:2\$:eonisingligiig  
\$333122: relfaltizedsiabjgiiti 2; food prices in the last quarter 0: . cgnsumption altkf ough some part of the ngt income may be nap;  
re ec e 11:: I ,\_  
n e n ex \$\$KW Um? Samba for "investment". It is more difficult when services are being 15.314111). a MA 9K W Q0645 ' M thYh offered, as in the case of domestic service which co uld also be  
thodg \_ . of as a wage income, similar to petty commodity  
proddc ion or hawking. ' i :-  
.  
h \_ a Rental income seems. to cover any income deriving from the  
WAR 1.. V44 6):- remunerated use by someone outside the household of. some entity  
% to which We have &egal) property rights. We rent space in our  
, A v home to lodgers. rent tools or facilities to neighbours. We  
% 3 CPL \$ A-Mgg'mMJ invest money in stocks and bonds and receive dividends. In ,  
theory, this last is a process of joining others to produce  
market income (and, therefore, a form of profit), but in  
practise it is a form of income more related to renting out of  
(DEAL kiweeswb Emcoue-um())g (wwwg. preproperty.  
3:31 W: we need to define more closely what we Transfers are receipts of incone for which  
there is no immediate  
mean by this term and to reconceptualize the "household" as an work-input counterpart. Bu t Of course the "immediacy" of the  
income pooling entityx counterpart is difficult to circumscribe. I: one receives state  
transfer income (old-age insurance, unemployment benefits, work-  
Point Nr 1: Most individuals live on a daily basis within a injury compensation, welfare)  
, it is possible to argue that such  
household, which is what we call the entity responsible for our transfers are based on "i nsurance" that have been cash inputs at  
basic and continuing reproduction needs (food, shelter, previous times that require work-  
inputs to earn them. Private  
clothing), and this household puts together a number of transfers might take place as tra nsfers of income (for male  
migrant worker's families) or gifts within the "extended" family  
different kinds of income to provide for these reproduction  
system.  
needs. We make a distinction between households and families.  
The former refers to that grouping that assures some level of  
pooling of income and sharing resources over time so as to  
reproduce the unit. often the members of a household are  
biologically related and share a common residence, but sometimes  
they do not.  
Finally, subsistence income derives from a self-sufficient  
household that reproduces itself fully from what it produces:  
by means of hunting, gathering, or agriculture to provide food  
for consumption. In some societies this type of household  
subsistence production is of diminishing importance, as the  
We can clas'.ify the multiple forms of income into five major percentage of world labour-  
time (however remunerated) in such  
varieties and observe that most househ ld t activities is on the decline. In times of cri sis, or: in  
income in each of these five forms, a: liag: 1:0;Zuoine223:z structural situations of. en forced marginalization, household  
their income not on a daily basis but on an annual basis. These self manufacture would be  
an important source 0: income.  
fiv fo ms t wa s ket

subiismnlencea 70: gziketir 1313221133 ihacigft) hozeentafratrgzggs'fizi The mere listing of the multiple forms of income makes it very obvious that real income to: real households is normally made up of the following components, straightforward and uncomplicated as we of all these components. The percentages vary and are difficult to compute, but it is clear that wage-income, even for households that are thought of as fully dependent on it, remains only one in five components, and as a percentage, probably rarely approaches a massive proportion of the total. Wages means the receipt of income (usually cash, but often partially in kind) from an employer or some entity outside the household for work performed. Work is usually performed outside the household and hours of work are normally contractual. Point Nr 2: is that all members of a household (or virtually all) produce some income for the household (on an annual basis). 7' nfwhomsI-Thewlflc Owriw'kdakb BlUMBm CHM) i probably, on a lifetime basis surely). and that the various

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sources of income are not exclusively identified with any particular members or the household. That is not to say that there are not systematic patterns or correlations that vary with gender, age, class, or ethnic group. There are also some patterns of gender-age correlation with income procuring activities but it is far from perfect, and most persons engage in a

in several different income-procuring activities - in a week, 1  
- ' 1 1 .

in a year, .in a lifetime.

One last point about income-pooling. What we are describing is how income comes into the household. This says nothing about how it is spent. Households may be allocated in more or less authoritarian fashions. The income may be allocated unequally. A The internal structure of the households, and how power and ;.' "goods are distributed internally, are not treated in this discussion. In addition, quite apart from the political and moral conclusions which may be drawn from the internal family structure, feminist studies have raised basic questions about the assumptions the concepts have made about economic value and its criterion. .

More specifically, we find ourselves in the midst of a long, still ongoing debate about how best to conceptualize the economic significance of housework and where it fits into the macroeconomy as well as in the budgetary realities of the household itself. A major issue would be in measuring women's economic contribution: the status of unpaid domestic (household/family) tasks: the status of the "informal sector" and subsistence rural / agricultural tasks. It means going beyond gender-based stereotypes as well as ideologically defined categories.

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Perceptions of survey respondents perceiving

\_ themselves to be 'satisfied' or 'very satisfied with:

1.1.DOMAINSOF uvme

Humn

Own health

Family health

- Housing

Own present dwelling

Size of dwelling

Availability of housing

Choice of where to live

- Community facilities

Public services

Transport costs

Security against crime

-: - Family life.

Family happiness

- Education

\_: Own education

' Occupation

1.15.2.

NJ 14 V 9119.8.

Job opportunities

Independence at work

Treatment at work

- Income

Own wages/sal  
Ability to provide or family  
: Insurance against illness/death  
: Income in old age  
, - Food  
1' The food you eat  
- Soclo-palltlcel Issues  
Voting n'grus  
Life oomoared with other race groups  
Respect from other race group:  
1 Race relations  
Freedom of movement  
- Intimate. private and social Im  
a- Yourself as a person  
; Respea in the community  
; Loyalty of Mend:  
1 Peer group adjustment  
3 Intimate relationships  
Spare time activities  
Fun in life  
1.2 OVERALL WELLEBeLNG  
l Overall ll9 satisfaction  
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BIGGER BURDEN . ...- how the individual ngpayer's share of total government tax revenue has climbed steeply over the past 10 years.

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TAXES COMPARED

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' mcum'rmc THE REAL  
nousmxow INCOME  
The diagram on the right  
gives us some indication of  
the spread of incomes among  
the various racial groups.  
Whilst almost one-third of  
all African households earned  
less than R500 per year, only  
one in fifty (22) of white  
households earned so little.  
Similarly, whilst 95% of  
African households has an , . u  
annual income of less than 3."  
R3 000, only 11% of whites  
were in the same position. H.  
The average "Black" income t'Mf"Mhmmnzunnhmmuer  
was c. R500 er month, while ,Irkf'xdirw'shm.mmmmlmmnunuzug:  
average "Whige" income was 0. ' T...'7n\_'3'\_-'ff\_'\_'\_"5"t my  
R2 50 (a 1:5 ratio). e-"-u--em"u.mmm  
However, these statistics  
should be used with caution.  
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Sonia: Mchh u citrd in Saltlru Handbook. 1936: 536  
' Census data Im 1960 was mliusml.  
The statistics we have  
provided are aggregates and  
the problems of measurement we have pointed out earlier apply  
here. We have pointed to the relative shift in the  
distribution of incomes from whites to blacks since the 19705.  
But these positive signs have to be set against a number of  
other considerations. It has been calculated by Devereux  
(1984) that in 1980 the bottom 40% of the population earned  
any 8% of the disposable income. It  
situation seems to be get  
to have occured is the "trickle  
absolute poverty). What seems  
down effect": inequalities between black groups increased as  
ing) middle class of professionals and of  
highly skilled workers received some benefits while the  
' lnd. This conclusion is reinforced  
at within the African  
the most recent calculation,  
population, taken separately,  
tell from 0.65 to  
between 1976 and 1980 , the Gini coefficient'  
0.57 (Devereux, 1984).  
.\_\_\_\_\_.  
t The Gini coefficient is'a measure of inequality in society -  
0.66, the highest of any of the 57  
South Africa has a valgehggi  
countries in the worldkdbc ange and Van Seventer (1978).  
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9. Income distribution: mum ?-  
white households, 1985

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BVHITE 2EICZiUSl-ZHOLDS

ver a .t ir (36 percent) of white househ ld h

annual Income of more than R30 000 in 019;5, 3:112:12;

16 percent had annual incomes of less than R12 000

accordmg to a Central Statistical Services survey 0!2

'white household expenditure. Average total income

per hoysehold was R35 739, but house-dwellers' av-I- :

erage Income was R39 419 while that of flat dwell- ;

ers was R24 643. The Survey found white house-i

holds were defmng a significant proportion of their'

income from tndirect sources such as housing and

tganspoyt suhsndies, retirement benefits and medical

and clams: Indirect income made up an average 2-H

percent of the total in 1985 compared with 14 pcr-7

cent m 1975: Income tax as a proportion of total in-

come he'd men from 9,3 percent in 1975 to 12,8

percent m 1985, an increase of 38 percent. the sur- .

'7 vey found. . .

198\$  
% Change  
March 1986  
% Change  
March 1937  
% Change  
March 1988  
"/a Change  
March 1989  
Non:  
Higher Income Group  
Middle Income Group - -- \_ .-  
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(P1  
(All Groups)  
100,0  
10,9  
110,9  
19,2  
132,2  
9,0  
144,1  
16,3  
167,6  
Consumer and Producer Price Indices  
I985 - I989  
PPI'  
(Total Output)  
100,0  
13,3  
113,3  
16,8  
132,4  
13,4  
150,2  
13,8  
170,9