

2. NORTH WEST AND OFS SPRs

Key indicators	NORTHWEST AS DEMARCATED BY THE COMMISSION	ORANGE FREE STATE AS DEMARCATED BY THE COMMISSION
Area (000 sq km)	151,2	128,4
Population (000)	2396,6	2 723,3
Population growth (%) 1985 to 1991	1,8	2,1
Density (Persons per km ²)	15,8	21,2
Official Urbanisation level (%)	29,3	48,9
Growth in Urbanisation (%) (1985 to 1991)	2,1	3,1
Illiteracy rate (Economic active population)	35,5	19,8
Potential labour force (000)	1 015,2	1 199,0
Labour force participation rate	56,4	66,5
Absorption Capacity	52,5	55,3
Official Unemployment rate	15,1	11,2
Male Absenteeism rate	11,8	26,5
Dependency ratio	2,2	1,6
Real GGP (R million) (1988)	8 223,0	7 327,0
Real annual growth in GGP (1970 to 1988)	1,2	-0,6

SPR GGP as a percentage of SA's GDP	6,8	6,1
GGP per Capita (R) (1988)	3 619,0	2 861,0
Personal income/ GGP (%) (1985)	57,7	68,1
Personal income per capita (1985)	2 000,0	2 184,0
Gender (%) Male	51,0	53,0
Female	49,0	47,0
Race (%) Black	86,5	85,2
Language (%) Tswana	66,8	7,0
S. Sotho	5,0	58,1
Afrikaans	12,4	14,1
Other	15,8	20,8

2.1 Summary of arguments for or against the North West as a separate SPR as reflected in the submissions

Views expressed included arguments for the North West to remain as a separate SPR, and others advocated a merger with the OFS. Some respondents also argued for the exclusion from North West of the Kuruman, Postmasburg and Hartswater districts, and the inclusion of Gordonia and Thabazimbi.

2.2 Summary of arguments for or against the OFS as a separate SPR as reflected in the submissions

Whilst a number of submissions had no problem with the demarcation of the OFS as a separate SPR, some views were expressed that it be combined with the North West and also that Sasolburg be included in the OFS.

2.3 Application of the Criteria: North West

2.3.1 Geographic Coherence -

The North West SPR forms a geographically coherent unit which includes most parts of the fragmented districts of Bophuthatswana, with the exception of the Odi and Moretele and Thaba 'Nchu district. The inclusion of Bophuthatswana in the North West, would result in an appropriate rural-urban balance.

2.3.2 Economic and Development Issues

Economic Functionality

The North West SPR is largely rural with no metropolitan centre. Its economic functionality is linked to Klerksdorp, Orkney and Stilfontein as the largest node in the region. Other nodal points are Mmabatho, Vryburg, Kuruman, Postmasburg, Rustenburg and Potchefstroom.

Economic Viability

The North West has a 7% share of the South African GDP and a per capita GGP of R3 619.

Social and Physical Infrastructure

In the urban areas of Development Region J (Western Transvaal), 33% of the people do not have access to adequate water, while in the rural areas as much as 75% of the communities are in this position. About 50% of the population has inadequate sanitation. The North West rural areas are not adequately developed. The population without electricity in the rural towns and the rural areas, including Bophuthatswana, is 46% and 93% respectively.

In terms of health services the North West region is located near and has functional links with the PWV SPR. It therefore has easy access to the social infrastructure of that SPR. The North West SPR has a relatively poor infrastructure for primary care, but better infrastructure for tertiary care services. Clearly, the SPR would need resources from the central government to meet its challenge to provide access to better health care for its residents.

The disparity in the provision of services between the Bophuthatswana areas and the remainder of the North West area is pronounced. The movement of goods and services indicates significant linkages between this area and the eastern portions of the Northern Cape. The linkages with the OFS are limited.

Development Potential

The North West SPR is linked to the mining industry which is influenced by world prices.

2.3.3 Institutional and Administrative Capacity

★ Institutional and administrative abilities are unevenly distributed throughout the North West SPR. There is a regional office of the Cape Transvaal Provincial Administration established in Potchefstroom. Furthermore, there are various regional offices of central government departments established, especially in Potchefstroom, but also in Klerksdorp, Rustenburg and Vryburg. Substantial, but relatively under-utilised infrastructure exists in Mmabatho, which, if utilised, could provide for the planning policy and developmental management needs of the SPR. There are two universities, University of Bophuthatswana and University of Potchefstroom and other tertiary educational institutions. The health services are administered by the Bophuthatswana government, the Cape and Transvaal Provincial Administration and the Department of National Health.

2.3.4 Socio-Cultural Aspects

The dominant language is Tswana (66,8%). The inhabitants of the North West have their own socio-cultural identity and regional awareness.

2.4 Application of the criteria: OFS

2.4.1 Geographic Coherence

The OFS is a geographically coherent SPR with a major node at Bloemfontein, and with minor nodes at Welkom and Phuthaditjaba.

2.4.2 Economic and Development Issues

Economic functionality

The OFS has Bloemfontein as the main nodal point. Other important nodal points are Sasolburg, Welkom and Phuthaditjaba. The OFS has a diversified economic base with mining industry, agriculture and services which play an important role.

Economic viability

The OFS share of the South African GDP is 6% and its GGP per capita is R2 861.

Social and Physical Infrastructure

Approximately 20% of the population does not have access to adequate water, while in the rural areas up to 40% are deprived. Over 42% of the total urban population in the OFS has inadequate sanitation. However, only 20% of the urban population living in QwaQwa have

access to adequate sanitation. The provision of adequate sanitation in rural areas is less than 15%. The disparity in electricity supply is also pronounced. The population without electricity in Bloemfontein, the rural towns and QwaQwa and the Thaba 'Nchu area vary from 24% to 46% to a high of 93% respectively.

In terms of road infrastructure, the road network density for the entire area is above the national average and the third highest in the country. The provision of services is functionally linked within the OFS SPR. Few linkages exist between the OFS and Region J.

Development potential

The OFS economic base is largely mining, which is subject to fluctuating international market prices.

2.4.3 Institutional and Administrative Capacity

The OFS has a well-developed administrative and institutional capacity, given the facilities in the various government departments, the provincial administration, the QwaQwa self-governing territory as well as the Thaba 'Nchu district of Bophuthatswana. Historically, the SPR has well-developed tertiary and other training institutions which are able to provide the managerial and other human resources. The health services are administered by Regional Services Councils, Orange Free State Provincial Administration, QwaQwa government, the Department of National Health, and many local authorities and NGOs.

2.4.4 Socio-Cultural Aspects

The Southern Sotho constitute the largest language group (58,1%). There is a sense of cultural identity as well as regional awareness.

2.4 Sensitive Area: Merging or separating the North West and OFS SPRs

The Multi-Party Negotiating Council asked that certain sensitive areas be investigated.

2.4.1 Arguments for combining the North West and the OFS SPRs as reflected in the submissions

The major thrust of the arguments in favour of combining the North West and OFS regions is based on historical, cultural and traditional links between the two areas:

- It is argued that separating the Tswanas in Thaba 'Nchu from

those in the North West would amount to an artificial exercise. Thaba 'Nchu, it is argued, is the "Jerusalem" of the Tswanas.

- The combined language majorities would be South Sotho and Tswana who would be able to communicate with each other, and have cultural bonds.
- Some contend that the combined natural resources, particularly mining makes a combined SPR more economically viable.
- Physical and social infrastructure would be improved when the two regions are combined. For example the air services would be located in Mmabatho while Post and Telecommunications and road services would be located in Bloemfontein.

2.4.2 Arguments against combining the North West and OFS SPRs as reflected in the submissions

- The two SPRs are economically functional on their own. Consolidation is not only unnecessary, but will impact negatively on the North West because a merger will cause the GGP per capita of the region to drop from R3 619 to R3 037. This would make the people of the North West worse off.
- There are certain areas of common interest between these two SPRs in terms of their agricultural and mining industries. The main arteries through SPRs are parallel linking each with the PWV and the Cape instead of with each other. There are no significant flows of goods, services and labour between these two SPRs, thus little economic functionality between the two SPRs.
- Administration of such an expanded region would be too unwieldy, defeating the very purpose of bringing government closer to people, the very objective of rationalization.
- The Tswanas in the Northwest represented by a broad spectrum of organisations maintain that they are not related to the Southern Sotho people in the OFS, and have no linkage with the OFS.
- Each SPR meets the criterion of geographical coherence/compactness, which would be reduced as a result of combining the two SPRs.
- Cultural identities and a sense of belonging have developed in

each region, and these may be disturbed if a merger were to take place.

- The idea of combining the two SPRs simply to link the North West with Thaba 'Nchu, which is only 2,6% of the total OFS population, is not justifiable.
- The potential for conflict regarding whether the capital of such a combined SPR would be Bloemfontein versus Mmabatho is likely.

2.5 Application of criteria

2.5.1 Geographic Coherence

A combination of the two SPRs would result in a vast area, almost a quarter of South Africa's total surface, only second to Northern Cape, and would present major infrastructural problems in providing for and maintaining the financial resources of the SPR and bringing government closer to people, particularly that the major nodes of Bloemfontein and Mmabatho are far from each other.

The boundary between the OFS and the North West SPRs currently follows the OFS provincial boundary, an historical boundary which has come to gain a wide degree of acceptance, despite its colonial origins. It has been argued, however, that there are historical links between Thaba 'Nchu and the North West SPR, which go further back than the creation of the provincial boundaries.

2.5.2 Economic and Development Issues

The OFS does not depend on labour from the North West and vice versa. There are no air and rail links between the two SPRs. The economic viability of the proposed combined SPR would not improve as a result of the merger because both areas would still need fiscal transfers. The vastness of the area presents major development obstacles given that nodes are very far apart.

2.5.3 Institutional and Administrative Capacity

Combining the two SPRs would make administration cumbersome. People would have to travel long distances in order to reach government offices for various services. This would be particularly so in respect of where the capital will be situated.

2.5.4 Socio-Cultural Aspects

Southern Sothos comprise 5% of the North West population while the Tswanas only make up 7% of the entire OFS population, thus suggesting minimal cultural ties between the two SPRs. Although there are historical ties between the North West and Thaba 'Nchu in the OFS, the significance of this is limited.

2.6 Sensitive areas: Sasolburg

2.6.1 Arguments for the inclusion of Sasolburg in the OFS SPR as reflected in the submissions

- Historically Sasolburg forms part of the Boer Republic, which was eventually included in the Union of S.A. as the province of the OFS.
- The inclusion of Sasolburg/ Zamdela and Deneysville/ Refengkgotso in the OFS would result in more effective administration at local government as well as at provincial level. Excision would cause disruption of services and inconvenience to people.
- The infrastructure in Sasolburg will stimulate and facilitate industrial development in the OFS. This does not negate the fact that industries in Sasolburg and Vereeniging are interlinked. The industries in Sasolburg will also help the OFS economy, given the declining gold price in world markets.
- Residents of towns in the far northern OFS work and buy in Sasolburg and should benefit from the taxes they pay.
- The Northern OFS Regional Services Council (RSC) is highly dependent upon Sasolburg's present participation in its service area. In the 1993/94 financial year it is estimated that Sasolburg will contribute 54% of the total revenue of the RSC.

2.6.2 Arguments against inclusion of Sasolburg in the OFS SPR as reflected in the submissions

- Sasolburg has functional relationships within the Vaal Triangle and its excision will destroy these linkages. Some factories in Sasolburg and Vereeniging are interlinked therefore they argue for inclusion of Sasolburg in the Vaal Triangle.
- The branch office of the Department of Internal Affairs in Vanderbijlpark and the Office of the Receiver of Revenue in Vereeniging serve Sasolburg.

- There is also a suggestion that Sasolburg should be part of the Vaal Triangle, with the latter operating as an autonomous SPR.

2.7 Application of criteria

2.7.1 Geographic Coherence

The Vaal River divides Sasolburg from the PWV SPR. It therefore makes geographic sense for Sasolburg to be part of the OFS.

2.7.2 Economic and Development Issues

Sasolburg plays an important economic role in the OFS. Adding Sasolburg to the OFS would increase the GGP from R 7 327 million to R 9 365 million, a significant resource increase.

2.7.3 Institutional and Administrative Capacity

Sasolburg is the seat of the Northern Free State RSC which serves a number of towns, including Vierfontein, Viljoenskroon, Kroonstad, Edenville, Tweeling, Frankfort and Villiers.

2.7.4 Socio-cultural Aspects

There are close cultural ties between the people of the Northern Free State and Sasolburg. Of the black population of Sasolburg, 71,0% are of the South Sotho group, and in contrast, only 10% of the black population of the PWV SPR belong to the S. Sotho group.

2.8 Sensitive area: Odi-Moretele

2.8.1 Arguments for inclusion of Odi-Moretele in the North West SPR as reflected in the submissions

- The area of Odi and Moretele is a major contributor to the industrial sector of Bophuthatswana - 60% of all established industries in Bophuthatswana are situated in this area, while employment in the industrial sector in this region represents 61% of the total employment in Bophuthatswana. The exclusion of this area will be to the detriment of the North West SPR.
- Important tourist centres are situated in Odi 1 and Moretele 2.
- Mabopane plays an important role as a Post and Telecommunications gateway for the North West SPR.

- Inclusion into the PWV SPR will add further to the already highly concentrated economic power and wealth in the PWV SPR.
- Inclusion of the area would enhance traditional customs, maintain the same education system and language preference.

⁹ 2.8.2 Arguments against the inclusion of Odi-Moretele in the North West SPR as reflected in the submissions

- The Odi - Moretele areas are functionally linked to the PWV SPR. There are also strong labour movements between these areas.
- Some people in these areas have always been opposed to the idea of being part of Bophuthatswana. The average percentage poll when Bophuthatswana became independent in 1977 was 6%. In the 1987 general election the Moretele district registered less than 2% of the total potential voters.
- Most of the inhabitants in Odi - Moretele are not Tswanas. Many non-Tswana inhabitants have been denied Bophuthatswana citizenship.
- There is consistent repression and lack of free political activity in Bophuthatswana.

¹⁰ 2.9 Application of Criteria

¹⁰ 2.9.1 Geographic Coherence

Odi 1 and Moretele 1 and 11 are not an integrated part of the eastern part of the North West SPR, and are not contiguous with each other nor with the eastern districts of the North West SPR.

¹⁰ 2.9.2 Economic and Development Issues

The flow of traffic, labour, goods and services is stronger to the PWV SPR than to the North West SPR.

¹⁰ 2.9.3 Institutional and Administrative Capacity

People in Odi 1 and Moretele 1 and 11 use administrative facilities in their area and in Mmabatho, the capital of Bophuthatswana. Situating these facilities in the Greater Pretoria area would be a lot more convenient than having these in the North West. This will bring

government closer to the people.

¹⁰
2.9.4 Socio-Cultural Aspects

The boundary between the PWV and the North West SPRs cuts across traditional authorities. There are language differences between the PWV and the North West SPRs as 60% of the people in Odi-Moretele are not Tswana.

¹¹
2.10 Sensitive area: Kuruman and Postmasburg

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2.10.1 Arguments for the inclusion of Kuruman and Postmasburg in the North West SPR as reflected in the submissions

- Retaining Kuruman and Postmasburg will keep families and communities in one SPRs.
- If Kuruman and Postmasburg are not included, the GGP of the North West, will drop from R8 223 million to R7 329 million, and the GGP per capita will drop from R3 619 to R3 153.
- The exclusion of Kuruman will result in the disruption of the functional linkage that exists between Kuruman and Kudumane in Bophuthatswana. The town of Kuruman and Mothibistad in Bophuthatswana are situated next to one another and Mothibistad serves as a source of labour for Kuruman.
- The Kudumane and Ganyesa districts of Bophuthatswana serve as sources of labour for mines in the Kuruman and Postmasburg districts.
- Postmasburg, with a GGP of R625 million, is crucial to the development of the western part of the North West. Postmasburg, similar to the Kuruman district, has rich mineral deposits.
- The inhabitants of Kuruman and Postmasburg are mainly Tswana and Afrikaans speaking, and therefore fit the socio-cultural pattern of the North West.
- The majority of people working in Kuruman and Postmasburg live in Taung, Hartswater and Kudumane. Excising the two districts from the North West could separate people from their place of work.

¹¹
2.10.2 Arguments against the inclusion of Kuruman and Postmasburg in the North West SPR as reflected in the

submissions

- The mines at Kuruman and Kathu will be cut off from the Sishen-Saldanha export line by a SPR border. This will mean that the North West will supply the minerals and the Northern Cape will have the obligation to maintain the railway line.
- Kimberley forms the basis of an integral and extensive network of roads, power generation (water supply), communication and electricity supply which exist in the Northern Cape with Kuruman, Postmasburg and Vaalhartz being an essential part of these networks.
- As far as education matters are concerned, Kuruman and Postmasburg have always been under the jurisdiction of Kimberley and therefore the Cape Province.
- Health services to the districts are rendered from Kimberley. A specialist service provincial hospital and provincial offices have been established there.
- A sizeable portion of Kimberley's GGP consists of trade and services, a large portion of which is aimed at mining in the Kuruman and Postmasburg areas.
- The majority of mines in the Kuruman and Postmasburg areas are serviced from Kimberley.
- A sizeable component of contributions to levies by the Diamantveld RSC is collected in the Postmasburg district. The exclusion of Postmasburg will reduce the SPRs income.
- The Supreme Court of South Africa (Northern Cape subdivision) serves the districts of Kuruman and Postmasburg and they have therefore become judicially interwoven with the Northern Cape.
- The agricultural unions of Kuruman and Postmasburg districts are affiliated to the Northern Cape Agricultural Union based in Kimberley. The interests of farmers in these districts are linked to the Northern Cape. The exclusion of these districts will inconvenience farmers.
- A strong regional identity has developed in the Northern Cape. The inhabitants of Kuruman and Postmasburg share in this strong regional identity and have no corresponding identity with inhabitants of the North West.

- This will ensure that the Northern Cape's comparative advantage in mining will be optimally utilised.
- There are also functional linkages with Kimberley, the Cape Provincial Administration and the Diamond Field RSC.
- The exclusion of these towns will impoverish the Northern Cape, which already has a poor economic base.

²2.11 Application of criteria

²2.11.1 Geographic Coherence - not a significant factor

²2.11.2 Economic and Development Issues

Kuruman and Postmasburg have an important mining resource base. The economy of these areas is functionally linked to Kimberley.

²2.11.3 Institutional and Administrative Capacity

Kimberley is the main centre of the Northern Cape and is institutionally linked with the Kuruman and Postmasburg districts.

²2.11.4 Socio-Cultural Aspects

The inhabitants of Kuruman and Postmasburg are predominantly Tswana and Afrikaans, and have strong links with both the North West and the Northern Cape SPRs.

¹³2.12 Other sensitive areas

Submissions to the Task Force have indicated that the proposed boundary between the PWV SPR and the North West SPR divides the operations of certain mining interests in the Oberholzer and Potchefstroom districts. It has been further suggested that the boundary divides the area of activity of the Golden West Forum, a development forum which brings together a wide diversity of communities and interests in Carltonville, Khutsong, Fochville and adjacent areas.

There have been two suggested solutions to this issue:

- that the PWV SPR be enlarged to include the sub-magisterial district of Fochville which is presently part of the Potchefstroom district in the North West.

- that the North West SPR be enlarged by the transfer of the Oberholzer district from the PWV into the North West.

2.13 Evaluation

North West and OFS

When tested on all the criteria, the proposal that the Northwest and the OFS SPRs should be merged seems to be sustainable only on the basis of historical and socio-cultural aspects, however, even this has limitations due to language differences. Such an amalgamation would ~~however~~, create a vast region whose geographic coherence would be weak and would also create administrative costs and inconvenience to people. The residents of the North West represented by political parties and interest groups, including farmers, labour, women and youth feel very strongly that the North West should not be amalgamated with the OFS.

Economic functional linkages between North West and OFS are weak. The major labour, goods and services from the North West lead to the PWV rather than the OFS and the same applies to the OFS.

Sasolburg

Given the historical links with the OFS and the economic contribution Sasolburg makes in this SPR; the administrative linkages at local government level with historically black local authorities and the Northern OFS RSC; and the support by locals as well as government structures, there would appear to be merit in including Sasolburg in the OFS. It should be pointed out, however, that some local organisations were opposed to this view.

The incorporation of Sasolburg would not necessarily undermine the linkages between this town and the Vaal Triangle as the borders are soft.

Odi-Moretele

There are strong economic functional links between Odi-Moretele and Pretoria and Johannesburg. Socio-cultural links between Odi-Moretele and the North West SPR exist and also with the PWV SPR. Given the rather low percentage of Tswanas (about 40%) in Odi-Moretele, and representations made by some of the inhabitants, functional linkages with the PWV SPR appear to be very strong.

Kuruman and Postmasburg

The inclusion of Kuruman and Postmasburg in the Northern Cape SPR will reduce the GGP per capita, but at the same time add to the fragile economic base of the Northern Cape SPR. However, these areas have strong functional linkages with Bophuthatswana areas in the North West. The balance of the evidence presented would seem to suggest that these districts should remain in the North West.

INDICATORS	AS PROPOSED BY THE COMMISSION
Percentage distribution	3,1
GDP per capita (R) (1988)	914
Personal Income/ GDP (%) (1985)	87,6
Personal Income per capita (R) (1985)	725
Sex (%) Male Female	44,5 55,5
Age under 15 15-65 65 and over	51,0 45,5 3,5
Race Black White Coloured Asian	97,1 2,7 0,1 0,1
Language (%) Northern Sotho Tsonga Venda Ndebele Afrikaans Tswana Zulu English	 56,6 23,1 11,5 3,4 2,6 1,5 0,8 0,4

This SPR is home to 12% of South Africans living in a relatively less densely populated area. The SPR has a markedly low urbanisation level as compared with all other SPRs. The area is largely rural, even though it has a high growth rate in urbanisation. The area also has the highest male absenteeism rate.

Northern Transvaal is predominantly Black, in fact this area has the lowest percentage of whites compared with all other SPRs. This SPR has the highest proportion of children under 15 years, and by default the lowest percentage of economically active population. The SPR

also has the second highest illiteracy rate, only slightly surpassed by the North West.

5.1. Arguments for and against a Northern Transvaal SPR as demarcated by the Commission *as reflected in submissions*

5.1.1. Arguments for a separate Northern Transvaal SPR

It is acknowledged that this SPR will be incapable of functioning as an independent financial entity, but the sense of belonging that has developed between the various population groups, justified it to be demarcated as a separate SPR. No other SPR seems inclined to combine with this SPR due to its heterogenous population composition and its economic position.

5.1.2. Arguments against Northern Transvaal as a separate SPR

There were no real objections to the demarcation of the Northern Transvaal as a separate SPR. Arguments against the Commission's proposal related mainly to the inclusion or exclusion of specific sensitive areas.

5.2. Application of Criteria

5.2.1. Geographic coherence

X In terms of its shape, the Northern Transvaal forms a geographically ~~compact~~ *compact* entity. Given the fragmented nature of current homeland boundaries, the recommended demarcation will substantially improve the geographic compactness of the SPR. A fair balance of larger and smaller towns exists within the demarcated area which acts as service centres to the surrounding rural areas. A fair balance of urban-rural linkages therefore exists.

5.2.2. Economic and development issues

Economic Functionality

Two functional economic units can be distinguished in this area, viz., the magisterial districts of Ellisras, Thabazimbi, Waterberg, and a portion of Warmbad, on the one hand, and the rest of the areas with Pietersburg as its nodal point, on the other. The question whether the first mentioned unit and other border districts maintain stronger functional links with adjacent SPRs, is dealt with later. Pietersburg exerts such a strong influence as a functional node that in terms of the criterion of economical functionality, the Northern Transvaal could be demarcated as a separate SPR.

Economic Viability

This SPR is poorly off in terms of its average GGP per capita, economic resources base and quality of life indicators. The population comprises 12% of the South African population, yet it generates only 3,1% of South Africa's GGP. Given the

per capita personal income (1985) of R725, the Northern Transvaal is likely to need plenty of resources from the central government to serve the needs of its population.

Social and Physical infrastructure

The Northern Transvaal has a poor infrastructure to deliver services to a large disadvantaged population. The doctor to population ratio is the lowest in the country, namely, 3,8 per 1 000 population. The hospital bed to population ratio is 2,6 beds per 1 000 population.

This SPR has the highest proportion of children under 15 years, and ^{in the country} ~~the~~ the lowest economically active population. It has the second highest illiteracy rate. This suggests that the human resource potential necessary for development is inadequate sanitation. It would therefore, need resources from outside the SPR to provide services to all.

As far as physical infrastructure is concerned both the road network density for the entire area and the provision of rural roads is at the national average. It is estimated that 60% of the population do not have adequate water. Over 70% have inadequate and no electricity sanitation. The provision of services is pronounced and intergovernmental transfers would be required to make the SPR sustainable.

Development Potential

Due to the low absorption capacity only a small portion of the potential labour force can find work in the SPR. ⁹⁴ ~~The SPR~~ has the highest male absenteeism rate. ^{Concentrated} ~~The SPR~~ has a comparative advantage in agriculture. ^{the country} ~~it~~ has a good potential to improve its agricultural sector and related industries. In certain areas a high potential exist for the further development of game farming and eco-tourism. However, ^{Concentrated efforts} ~~serious efforts~~ to develop human resources potential ^{are required.} ~~will be required.~~

5.2.3. Institutional and administrative capacity

The SPR is served by the administrative and institutional infrastructure of the Republic of South Africa, the Republic of Venda, the Self-governing Territories of Gazankulu and Lebowa, the Transvaal Provincial Administration, Regional Services Councils and numerous local governments.

^{Port 94 has the} Administrative and institutional capacity to ^{carry out regional functions} ~~exercise assigned SPR functions~~ should not pose a difficulty. The need for rationalization and integration of existing institutional structures is apparent and inevitable. The Pietersburg/Lebowa/gomo complex has the necessary infrastructure to accommodate a regional government. Management capacities vary widely within the governmental and non-governmental sectors. Cooperation and planning arrangements between the public and the non-governmental sector can be improved in order to increase institutional and administrative capacity.

The recommended demarcation provides adequate opportunity for the integration, rationalization and maximization of available institutional capacities of, inter alia, regional institutions such as the Transvaal Provincial Administration and the Venda, Gazankulu and Lebowa administrations.

5.2.4. Socio-cultural aspects

In spite of the heterogeneous nature of the Northern Transvaal population and taking into account the feelings of certain groups in sensitive border areas, a sufficient sense of regional identity exists. *How possible? explain in next section*

5.3. Sensitive Area: Pretoria/Wonderboom

5.3.1. Arguments for inclusion of Pretoria/Wonderboom in the Northern Transvaal

do not repeat

- Pretoria's inclusion in the PWV will lead to a relative oversupply of resources such as museums, libraries and theatres in that SPR. Demarcating Pretoria into another SPR like the Eastern Transvaal or the Northern Transvaal would result in a better distribution of sophisticated cultural facilities amongst SPRs.
- The inclusion of Pretoria in the Northern Transvaal is essential if the economic and resource base of this SPR is to be strengthened and brought in balance with the other SPRs.
- Pretoria could improve the educational infrastructure of the Northern Transvaal.

5.3.2. Arguments against inclusion of Pretoria/Wonderboom in the Northern Transvaal

~~The following arguments were presented against the inclusion of the Northern Transvaal in a single SPR with Pretoria and Eastern Transvaal.~~

- ~~It~~ will reduce the capital wealth of such a large SPR resulting in a poor fiscal capacity, depriving the future government of enough revenue.
- It will be detrimental to the development potential of such a large SPR and it will negate and frustrate the principles and advantages of federalism.
- Pretoria would deprive Pietersburg of its status as capital of the Northern Transvaal. There is no need in the Northern Transvaal for access to Pretoria's educational facilities.
- Inclusion of Pretoria in the Northern Transvaal would drag the Greater Pretoria into poverty with very little economic viability

5.3.3. Application of criteria

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If the districts of Pretoria and Wonderboom were to be demarcated into the Northern Transvaal, the geographic compactness of the Northern Transvaal SPRs will be affected negatively. A projected finger will be created in the south, which would necessitate considering the inclusion of at least Cullinan and KwaNdebele as well.

A Northern Transvaal SPR could undoubtedly benefit in terms of economic viability, development potential and social infrastructure if Pretoria were included. This advantage should, however, be measured against the effect the exclusion of Pretoria from the PWV would have on the latter SPR (See PWV).

The Northern Transvaal has adequate administrative and institutional capacities and there is accordingly no reason to include Pretoria in the this SPR as far as ~~the~~^{this} criterion is concerned.

5.4. Sensitive Area: ^SGloblersdal

5.4.1. Arguments for inclusion of ~~Grobbersdal~~^{Globlersdal} in the Northern Transvaal *as reflected*

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The Nebo district of the existing Lebowa does have economic linkages with the Groblersdal and Marble Hall districts of the present Eastern Transvaal region. However, in view of historical boundaries as well as population and economic criteria it is recommended that the Loskop Valley (which includes Groblersdal, Marble Hall, Nebo and Motetema) form an integral part of the Northern Transvaal.

avoid repetition
Economically Groblersdal forms an integral part of the Northern Transvaal. Almost 75% of its buying power derives from Nebo and Sekhukhuneland. Communities of the latter would be subsidising the Eastern Transvaal SPR to the detriment of its own development needs. Groblersdal draws farm labourers from these areas.

Of the district's permanent population roughly 85% are of Pedi descent. An artificial division between these communities of the Loskop valley would have disastrous consequences for future planning, development and effective governance.

5.4.2. Arguments against inclusion of ~~Grobbersdal~~^{Globlersdal} in the Northern Transvaal

As an economic growth area Groblersdal does not have a major role to play. In considering its geographic location, the exclusion from Eastern Transvaal could increase practical problems regarding infrastructure development in the SPRs. Roads, power lines and pipelines, and the maintenance thereof could become costly since the borderline between the Northern Transvaal and Eastern Transvaal could leave areas that are difficult to manage unattended. Water supply is obtained from Loskop Dam which could cause managerial problems should the area be separated from this main lifeline.

5.4.3. Application of criteria

The geographic compactness of Northern Transvaal could be improved by including

Groblersdal. The inclusion or exclusion of Groblersdal in or from the Northern Transvaal or the Eastern Transvaal, respectively, will have no meaningful effect on the economic viability, social and physical infrastructure, development potential and administrative and institutional capacity of any one of the concerned SPRs. ↗

In terms of economic functionality, stronger economic linkages exist between Groblersdal and the adjacent part of Northern Transvaal than with those of Eastern Transvaal.

Strong cultural linkages with adjacent parts of Northern Transvaal can be deduced from the fact that 47,3% of the population of the Groblersdal district is Northern Sotho speaking, the second largest language group comprises only 15,2% of the population. ↗

It should be noted that most submissions suggested that a scientific poll or referendum be conducted in order to determine the feeling (sense of belonging) of the people.

5.5. Sensitive Areas: Kruger National Park

5.5.1. Arguments for inclusion of the whole of the ~~Kruger National~~ Park in the Northern Transvaal

The Kruger National Park should be administered by a single authority. Should it be decided that the regional governments must accept this responsibility, the Kruger National Park will have to be incorporated into a single SPR. If it is incorporated into the Northern Transvaal, it should be governed by the Central Government under the custodianship of an international wild life body and all income, tax and/or levies be transferred to the Northern Transvaal SPR because the Park geographically forms a natural part of the Northern Transvaal Lowveld.

The Kruger National Park should be managed as a national asset, but for the purpose of a second tier government it should be included in the Northern Transvaal SPR by reason of its predominant and pervasive socio-cultural linkage with this SPR along and across an extensive common border.

5.5.2. Arguments against inclusion of the whole of the ~~Kruger National~~ Park in the Northern Transvaal

not really an argument { The Kruger National Park should be managed as a national asset by a National Parks Board and income be divided between the two SPRs on a fixed basis. The Kruger National Park should be divided for electoral purposes.

5.5.3. Application of Criteria

Broad agreement exists that the Kruger National Park is a national asset which requires it to be managed in a distinct manner. (Since it could turn out to be advisable to adopt a uniform approach to all existing national parks in this regard, the sizes of all national parks are listed in Addendum 6. In addition, specific information on parks

↗
7
make sure!

situated in the TBVC states is provided for ease of reference).

Determining the position of the Kruger National Park with regard to one or more SPR's by means of applying the criteria, is dependent upon decisions on the detail of such distinct management, (e.g., in regard to the division of profits, composition of governing bodies and the involvement of local communities) and the extent to which certain functions concerning nature conservation, recreation and tourism will be assigned to different levels of government.

For electoral purposes the Kruger National Park could be included in either the Northern Transvaal or the Eastern Transvaal or it could be divided between the two SPRs along the line recommended by the Commission. *However,*

In terms of economic viability the Northern Transvaal undoubtedly is in greater need than the Eastern Transvaal of the economic benefits which can be derived from the Kruger National Park.

5.6. Sensitive Area⁵: Pilgrimsrest 1 ^{and} 2

5.6.1. Arguments for inclusion of Pilgrimsrest 1 & 2 in the Northern Transvaal as reflected in submissions

- Lydenburg and Pilgrims Rest districts should be included in Northern Transvaal by virtue of historical and traditional criteria.
- Strong functional linkages existing between Mhala and Mapulaneng, which are clearly culturally part of the Northern Transvaal, and Lydenburg/Pilgrimsrest indicate the desirability of their inclusion in the Northern Transvaal. Their inclusion could go far toward providing the south-eastern portion of the Northern Transvaal Region with the necessary nodal integrity which it presently lacks.
- Historically, linguistically and naturally it forms part of the Northern Transvaal. The communities fall under the Lebowa Magoshi (chiefs).
- It should be included in the Northern Transvaal due to the predominant Northern Sotho influence in the whole area as well as the common mining activities and the pattern of infra-structure. A far more suitable boundary would be the natural watershed running along a general line to the South of Lydenburg, Pilgrimsrest and Graskop. This, however, would imply a change in existing magisterial districts.

5.6.2. Arguments against inclusion of Pilgrimsrest 1 & 2 in the Northern Transvaal as reflected in the submissions

explain? As an economic growth area Pilgrimsrest does not have a major role to play. *subac?* In considering its geographic location, the exclusion from Eastern Transvaal could create practical problems regarding infrastructure development in the region. Roads, power-lines and pipelines, and the maintenance thereof become costly since the border

between the Northern Transvaal and Eastern Transvaal could leave areas that are difficult to manage unattended, particularly in the escarpment area where Pilgrimsrest is situated. Water supply is obtained from Loskopdam which could cause managerial problems should the area be separated from this main lifeline.

5.6.3. Application of criteria

The inclusion or exclusion of Pilgrims Rest in or from the Northern Transvaal or the Eastern Transvaal will have no meaningful effect on administrative capacity of any one of the SPRs concerned.

If the Bushbuckridge sensitive area (see 5.7) is included in the Northern Transvaal, the geographical compactness of the Northern Transvaal will be enhanced by the inclusion of the Pilgrims Rest and Lydenburg districts or the Northern parts of these districts.

Both the Pilgrims Rest and Lydenburg districts have positive figures in terms of estimated tax minus variable cost at 1988 prices. Their inclusion in the Northern Transvaal would therefore have a positive effect on the economic viability of the Northern Transvaal and a negative effect on Eastern Transvaal. Northern Transvaal is in greater need of such contribution.

The Pilgrims Rest district consists of 34,6% North Sotho speakers and 15,9% Shangaan speakers. This tends to indicate stronger socio-cultural links towards Northern Transvaal.

It should be noted that most submissions suggested that a scientific poll or referendum be conducted in order to determine the feeling (sense of belonging) of the people.

this should not be part of 5.6.3 (rather submission)

5.7. Sensitive Area: Bushbuckridge

5.7.1. Arguments for exclusion of Bushbuckridge in the Northern Transvaal as reflected in the submissions

- The inhabitants of the area have never had relations with the communities of Northern Transvaal.
- The entire population is employed in the big towns in the Lowveld. Not even 1% of the people are employed in towns in Northern Transvaal. Only a small number goes to Phalaborwa.
- It could constitute an economically viable area if it is included in the Eastern Transvaal.

5.7.2. Arguments ~~against~~ ^{for} inclusion of Bushbuckridge in the Northern

- Mapulaneng 1 and 2 Bushbuckridge must form part of Northern Transvaal in terms of economic criteria, traditions and population.

first 5.7.2 to be seen as the "sensitive areas"

Despite the relative close proximity of the disputed area to the White River/ Nelspruit sub-region of Region F, ethnic and socio-economic factors favour a linkage to the Northern Lowveld in the Northern Transvaal. It would certainly not make sense to isolate the communities of Mhala and Mapulaneng from their cultural focus in the Northern Transvaal SPR.

5.7.3. Application of criteria

- The exclusion of Bushbuckridge from the Northern Transvaal would improve the geographical compactness of the SPR.
- The inclusion or exclusion of Pilgrims Rest in or from the Northern Transvaal or the Eastern Transvaal will have no meaningful effect on administrative capacity of any one of the SPRs concerned.
- The Mapulaneng district contributes negatively to the estimated tax minus variable cost figure (at 1988 prices) of the Northern Transvaal. Its exclusion would therefore have a positive effect on the economic viability of Northern Transvaal.
- The Mapulaneng district consists of 69,6% North Sotho speakers and 15,6% Shangaan speakers. Contradictory evidence was presented on the direction of socio-cultural links. These figures, however, strongly suggests linkages with the Northern Transvaal.
- Stronger economic functional linkages extend toward Eastern Transvaal than towards Northern Transvaal.
- It should be noted that most submissions suggested that a scientific poll or referendum be conducted in order to determine the feeling (sense of belonging) of the people.

5.8. Sensitive Area: ⁵Thabazimbi, Ellisras, Waterberg and Warmbad ^{Warmbaths?}

5.8.1. Arguments for exclusion of ~~Thabazimbi, Ellisras, Waterberg and Warmbad~~ from the Northern Transvaal as reflected in the submissions

- From a demographic analysis, it is obvious that Tswana is the dominant language in Thabazimbi, Warmbaths and even portions of Nylstroom.
- These districts with their relatively strong economic base serve as a useful balance for inclusion of Region ~~B~~ (with its relatively poor economic base), into the North West thereby strengthening the economic viability of the proposed SPR as a whole.

5.8.2. Arguments against exclusion of ~~Thabazimbi, Ellisras, Waterberg and Warmbad~~ as reflected in the submissions

- Due to lack of sufficient consensus amongst local role players and the economic

impact of the district on the future economic growth of the Northern Transvaal, the exclusion of the Thabazimbi district from the Northern Transvaal will have a negative spill over effect in neighbouring districts and towns. Should there remain a difference of opinion on the future of the districts in the subregion, it is recommended that a scientific opinion poll be conducted.

- Statements that Thabazimbi is under the predominant influence of the Tswana ethnic group, is only true of the town and not the sub-region as a whole. In the sub-region as whole Tswana speakers constitute only 29%.
- Seeing the relative wealth of the Western Transvaal, inclusion of the Thabazimbi area would be far less critical than would its excision from the Northern Transvaal. It would have serious repercussions for the Northern Transvaal's economic viability.

5.8.3. Application of criteria

- The inclusion or exclusion of Ellisras, Thabazimbi, Waterberg and Warmbaths in or from the Northern Transvaal or the North West will have no meaningful effect on the administrative capacity on any one of the SPRs concerned.
- The geographical compactness of the Northern Transvaal will not be affected negatively if the sensitive areas are to be excluded. The effect on the North West vis-a-vis the PWV would, however, not necessarily be the same.
- The contributions of Warmbaths, Waterberg, Ellisras and Thabazimbi to the estimated tax minus variable costs (at 1988 prices) are significantly higher than those of most other Northern Transvaal districts. The contribution of Ellisras is only exceeded by ~~four~~ other districts and the contributions of Thabazimbi, Warmbaths and Waterberg by ~~six~~ other districts. The exclusion of these districts from Northern Transvaal will therefore negatively effect Northern Transvaal's economic viability negatively.
- The four districts constitutes a subregion with extensive internal functional linkages. Warmbaths and Waterberg have significant linkages with nodes in Northern Transvaal. The linkages of Thabazimbi extend significantly to Rustenburg and Pretoria as well as to the Northern Transvaal via its intra sub-regional linkages with Ellisras, Warmbaths and Waterberg.
- Tswana speakers constitute 24,2% of the population of Ellisras, 7,1% of Waterberg, 52,1% if Thabazimbi and 22,5% of Warmbaths, i.e. a total of 27% for the entire area. Northern Sotho speakers constitute 24,7% of the population of Ellisras, 57,6% of Waterberg, 3,1% if Thabazimbi and 39,2% of Warmbaths, i.e., a total of 31,1% for the entire area. According to these figures linguistic linkages cannot be a determining factor in deciding whether this area should be excluded from the Northern Transvaal.

5.9. Sensitive Area: Warmbaths

5.9.1. Arguments for exclusion of Warmbaths from Northern Transvaal as reflected in the submissions

- Warmbaths should be excluded from the Northern Transvaal because Pretoria is nearer than Pietersburg. Warmbaths and Pretoria are economically linked and rely on Pretoria for medical, educational and administrative services.
- see also 5.8.1.

5.9.2. Arguments against exclusion of Warmbaths from Northern Transvaal as reflected in the submissions

Arguments were raised about the exclusion of Warmbaths as such, but see 5.8.2. concerning arguments which affects Warmbaths, Thabazimbi, Waterberg and Ellisras.

5.9.3. Application of criteria

The economic functionality, viability, social and physical infrastructure, development potential and administrative and institutional capacity of the Northern Transvaal will be affected negatively by the exclusion of Warmbaths. *5*

Warmbaths forms an important link between the PWV and Northern Transvaal and functional linkages extend both ways. *avoid single sentence paragraphs*

The greatest language groups in the district consists of Northern Sotho (39,2%), Tswana (22,5%) and Afrikaans (17,02%) speakers. Criteria relating to socio-cultural aspects cannot play a decisive role in deciding the fate of this sensitive area. *3*

5.10. Evaluation

The estimated cost of SPR government as a percentage of GGP is by far the highest in the country.
Due to a very poor socio-economic resource base this SPR will be the least economically viable of all SPRs. Nevertheless broad consensus exists amongst role players both within and outside the proposed SPR that a separate Northern Transvaal SPR should be demarcated. *?*

Uncertainty exists with regard to the "sense of belonging" of the inhabitants of the districts of Groblersdal, Bushbuckridge, Pilgrims Rest, Ellisras, Waterberg, Thabazimbi and Warmbaths. Apart from this uncertainty the following conclusions can be drawn:

Although the inclusion of Pretoria and Wonderboom will enhance the economic viability of the Northern Transvaal, its exclusion from the PWV cannot be justified in terms of economic linkages and unacceptable configurations in terms of geographic coherence.

Groblersdal could be included in the Northern Transvaal in order to strengthen the economic viability of the SPR and by virtue of the criteria of geographic compactness, economic functionality and socio-cultural linkages.

Pilgrims Rest and Lydenburg (or at least the Northern parts of these districts) could be included in the Northern Transvaal in order to strengthen the economic viability of SPR and by virtue of the criteria of geographic compactness.

Inconclusive evidence was presented on the socio-cultural linkages with to regard Bushbuckridge. Bushbuckridge does not contribute towards the economic viability of the Northern Transvaal and most economic functional linkages seems to extend to the Eastern Transvaal. It would make sense to include Bushbuckridge in the Eastern Transvaal.

Ellisras, Waterberg, Thabazimbi and Warmbaths comprise a sub-region which should be treated as a unit. In order to strengthen the economic viability of the Northern Transvaal and because the functional linkages of this sub-region towards the North West are less pronounced than for example of Pretoria's linkages with the PWV, it should remain part of the Northern Transvaal.

For electoral purposes the Kruger National Park could be divided or assigned to either the Northern Transvaal or the Eastern Transvaal. The Park Board suggestion that the Kruger National Park be managed centrally, should be considered seriously. Should future management systems and the assignment of regional functions requires that the Kruger National Park be situated in a single SPR, preference should be given to the Northern Transvaal due to its dire needs with regard to economic resources.

5 Northern Transvaal

Socio-Economic Indicators

5. NORTHERN TRANSVAAL

INDICATORS	AS PROPOSED BY THE COMMISSION
Area (000 km ²)	174,0
Population (000)	4 525,3
Population Growth (%) 1985-1991	3,1
Density (Persons per km ²)	26,0
Official Urbanisation level (%)	8,8
^{annual urban population} Growth in Urbanisation (%) (1985-1991)	3,6
Illiteracy rate (Economic active population)	35,1
Potential labour force (000)	1 418,5
Participation rate	38,1
Absorption capacity	32,4
Official Unemployment rate	17,0
Male Absenteeism rate	-37,1
Dependency ratio	4,8
Real GGP (R million) (1988)	3 786
Real annual growth in GGP (1970-1988)	4,3

ADDENDUM 1

CRITERIA FOR THE DEMARCATION/DELIMITATION OF SPR'S

The key question in the demarcation of SPR's pertains to the appropriate criteria to use. The Commission had grouped the ten criteria provided, in the terms of reference of the Commission, into categories in order to develop a framework for their application.

The following are the ten criteria provided as part of the Commission's brief.

- 3.1 Historical boundaries, including provincial, magisterial and district boundaries and infrastructures;
- 3.2 Administrative considerations including the availability or non-availability of infrastructures and nodal points for services;
- 3.3 The need or otherwise to rationalise existing structures (including the TBVC States, self-governing territories and regional governments);
- 3.4 The necessity of limiting financial and other costs as much as is reasonably possible;
- 3.5 The need to minimise inconvenience to the people;
- 3.6 The need to minimise the dislocation of services;
- 3.7 Demographic considerations;
- 3.8 Economic viability;
- 3.9 Development potential; and
- 3.10 Cultural and language realities.

The above criteria were categorised into four broad groups, namely:

- A. Economic Aspects
- B. Geographic Coherence
- C. Institutional and Administrative Capacity
- D. Socio-Cultural Issues (criteria

A. ECONOMIC ASPECTS

Several dimensions have been identified as critical to consider as part of the Economic criterion. These are, economic functionality, economic viability, fiscal capacity, development potential, and infrastructure (social and physical). Given the challenges facing South Africa, the overriding concerns with regard to this criterion are economic growth and development. That is, that the regions demarcated/delimited must contribute to meeting these concerns.

A.1. Economic functionality

The notion of economic functionality refers to a situation whereby the level of interaction of components within a region is significant compared with other places. An economically functional region could take many forms. For example, nodal regions have a centre of concentrated economic activity which serves other sub-centres or residential areas. The functionality of region is measured by the flow of goods and services, labour flows, and to an extent by the market areas for the local production sector. Therefore, economic functionality is related to the activities that occur around an urban core and the extent of its impact on the welfare of its hinterland.

A.2. Economic Viability

Economic viability relates to the extent to which a particular region has an adequate resource base to provide for the welfare of its population. This includes an economic base to provide jobs, produce goods and services and a sufficient tax base to provide fiscal capacity. With respect to fiscal capacity, economically viable regions generally also have the capability to generate a significant tax base.

It is important to note several issues with regard to the questions of economic functionality and viability. First, economic functionality is a necessary but not sufficient condition for economic viability. In short, an economically functional region is not necessarily economically viable in all respects, particularly in terms of tax base. Second, it is not possible in the demarcation of regions to create regions which are equal in terms of economic viability because this may in fact interfere with their functionality. Finally, having economically functional regions has the potential of nurturing economic viability in the future. Therefore, everything equal, economic functionality should be considered as a critical criterion for the demarcation of SPR's; however this does not mean that economic viability should not be taken into account.

The question of economic viability as it relates to the fiscal capacity of SPR's is also important given the recommendations of the Negotiating Council to the Negotiating Forum on constitutional principles¹.

A.3. Infrastructure

Infrastructure is an important factor in determining the economic functionality and development potential of an area. In this regard both physical and social infrastructure needs to be considered.

Physical infrastructure includes, transport, energy, and telecommunications. Physical infrastructure is critical to development and economic functionality because it impacts on production and consumption costs. In many cases the cost of particular aspects of infrastructure are factored into the price of inputs and those of final goods and services. For example, energy is often part of the cost of production and transportation directly impacts on the cost of distribution of goods and by implication on the price of the final good. The major issues to be considered in the demarcation of SPR's is both the amount of infrastructure that exists and how effective and efficient it is in promoting intra- and interregional linkages.

Other than its impact on economic viability and functionality, physical infrastructure also impacts on the quality of life of citizens because it has a direct effect on access to services (e.g., transport) and information (e.g. energy and telecommunications).

Social infrastructure includes health, housing, education and social welfare facilities, and their relative accessibility to the regional population. Social infrastructure impacts on the quality of life of the regional population. Particular aspects of social infrastructure, especially

¹ The following principles are important in this regard.

- 2.17 *Each level of government shall have appropriate and adequate legislative and executive powers and function that will enable each level to function effectively. The allocation of powers between different levels of government shall be made on a basis which is conducive to financial viability at each level of government and to effective public administration, and which promotes national unity, legitimate regional autonomy and cultural diversity.*
- 2.21 *National and SPR governments shall have fiscal powers and functions which will be defined in the Constitution. The framework for local governments referred to in paragraph 2.19 shall make provision for appropriate fiscal powers and functions for different categories of local government.*
- 2.23 *A Financial and Fiscal Commission, representing inter alia each of the SPR's shall recommend equitable fiscal and financial allocations to the SPR governments from revenue collected nationally after taking into account the national interest, disparities within the SPR's as well as the population and development needs, administrative responsibilities and other legitimate interest of each of the SPR's.*

●alth and education, affect the quality of human capital a region has and hence its economic viability and development potential.

While it may not be possible to equalise infrastructure among different SPR's, there is a need to assess what capacity exists and how existing gaps could be met through a sharing of inter-regional capacity. Furthermore, in applying this criterion, the effect of the status quo and past policies on the orientation of infrastructure needs to be taken into account.

A.4. Development Potential.

The goal of development is to improve the quality of life or standard of living of the population. One aspect of development is economic growth. Another dimension of development is the transformation of socio-economic and political institutions so that they contribute towards the growth and self-determination of communities. Given this, the issues of economic functionality, economic viability and infrastructure are clearly important components in determining the development potential of an area. Furthermore, it is clear that other dimensions to be dealt with later, particularly institutional and administrative capacity, are also important.

In considering the development potential of SPR's, one needs to take into account at least two issues. The first is the existing development needs as indicated by current socio-economic indicators. A second, is the economic viability of particular regional economies in the context of both national and international trends. That is, regions that are currently leading in terms of economic growth and development, may not necessarily be so in the future given their economic structure and comparative advantage. Therefore, development potential has to be looked at in terms of both a national and international context.

B. INSTITUTIONAL AND ADMINISTRATIVE CAPACITY.

As indicated above, regions can exist for managerial and administrative purposes. The institutional and administrative capacity of the region ultimately determines their effectiveness, efficiency and performance of tasks in an accountable manner. This has direct bearing on the quality of goods and services that will be provided to regional populations as well as the calibre of governance.

Institutional and administrative capacity refers to the existence of workable structures and systems to execute governmental functions and provide the necessary public goods and social services. Thus, it relates not only to structures of governance, but also to institutions for the provision and management of social and physical infrastructure.

In addition, institutional capacity concerns the degree to which appropriate policy formulation, implementation, monitoring and planning of the region's development can be undertaken.

With regard to **administration**, international experience demonstrates that the evolution of appropriate bureaucracies to meet regional needs, is a long term process which requires systematic intervention and planning. Therefore, the nature of the existing capacity, particularly within the civil service structure, its possible configuration and rationalisation under a new constitutional dispensation, and the long term potential of regions to develop the necessary capacity, have to be considered. Furthermore, due consideration has to be given to minimising inconvenience to the people and the dislocation of services being rendered.

Finally, the issues of administrative and institutional capacity indicated above have fiscal implications. Therefore, the cost of governance and administration of an SPR needs to be taken into account when demarcating/delimiting regions. A balance has to be maintained between the benefits to be gained from economies of scale, and the costs that will be incurred by individuals using the SPR administrative and governmental structures, as they increase in size and complexity.

C. GEOGRAPHICAL COHERENCE

In this report, geographical coherence pertains to the idea that SPR's must be compact and exhibit a high level of functional linkages between localities. This criterion is all the more important in relation to the history of South Africa and the creation of disjointed homeland territories.

D. SOCIO-CULTURAL ISSUES

The issues that have been identified is essential to consider in this regard are, a sense of identity with the region, historical boundaries, and language and cultural considerations.

D.1. Sense of Identity and Historical Boundaries

As currently categorised, sense of regional identity is related to socio-cultural dimensions. However, it is important to note that sense of identity is a multifaceted concept in that it can be the result of social, cultural, political, geographic or economic factors. It is therefore important to balance these various dimensions in the demarcation of SPR's.

Related to a sense of regional identity, is the question of the role of historical boundaries in the delimitation of new SPR boundaries. The existing provincial boundaries in particular, have created a certain sense of identity and provide a useful starting point for the examination of the boundary issue. Existing boundaries which are not unduly tainted by the recent apartheid past take on an even greater relevance where the delimitation process has to take place within a short period. On a smaller scale as well, the existing magisterial districts are useful for the construction of a regional framework.

● further issue to be considered under historical boundaries is that of disputed land rights. Given the history of South Africa, along any boundary that is demarcated for the purpose of the establishment of SPR's, there is the potential of land claims being made by one party or another. The resolution of such claims can have an impact on demarcation.

D.2. Language and Culture Considerations

There are two elements that need to be highlighted with regard to this issue. The first is the need for sensitivity toward sense of identity (however defined) without creating preconditions that may lead to problems of discrimination against minority interests and/or ethnic cleansing. Second, a clear understanding of what the objective of considering this particular criterion is, needs to be stated. Although SPR's should not be demarcated along language lines only, geographical areas with obvious homogenous linguistic patterns should be taken into account, particularly where language is an important component of regional educational policy.