

12 Johannesburg: race, inequality, and urbanization*

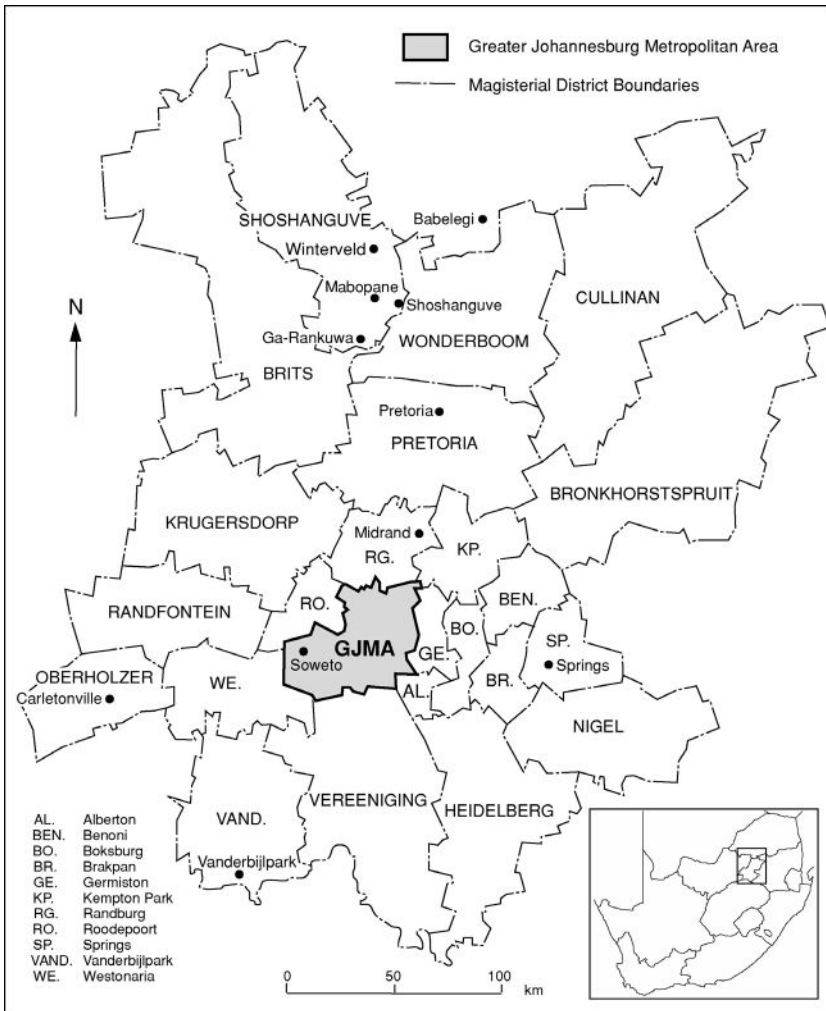
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The city of Johannesburg lies at the heart of a sprawling metropolis. This metropolis, which we shall call the Johannesburg region, roughly corresponds with the boundaries of Gauteng Province.¹ It stretches from Soshanguve in the north to Vanderbijl Park in the south and from Carletonville in the west to Springs in the east (Map 12.1). While Johannesburg is an obvious example of a large city in a poor country that is riddled by social and economic inequality, there is a certain irony in its portrayal as a world city. After all, only five years ago Johannesburg was the hub of a pariah nation that was the object of one of the most successful international sanctions campaigns (see Gelb 1991). Notwithstanding the impact of the boycott against apartheid, Johannesburg has long served as the major urban center of southern Africa. It is an unusually cosmopolitan city, with extensive demographic, political, and economic connections with Africa, Asia, Europe, and North America that date back to colonial times (Goty and Simone 2002; Parnell and Pirie 1991). Increasingly strong links are now also being forged with Australasia through immigration and sport.

Johannesburg is the economic hub of both South Africa and of the southern African region. As an urban giant located in a middle-income

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¹ A note on terminology: this metropolis used to be called the “PWV,” an acronym for the “Pretoria-Witwatersrand-Vereeniging Complex.” The functional importance of this region has since been given the status of a province and is now known as “Gauteng” (the place of gold). However, the names “PWV” and “Gauteng” are not known in international circles so, for the purposes of this chapter, we have chosen to name this metropolitan area the “Johannesburg region” or simply “Johannesburg.” When we refer to the city of Johannesburg, we will refer to its formal administrative designation of the “Greater Johannesburg Metropolitan Area” or simply as the “city of Johannesburg.” The Greater Johannesburg Metropolitan Council was an interim municipal authority that incorporated, amongst others, the erstwhile local authorities of Johannesburg, Randburg, Roodepoort, Sandton, and Soweto (see Map 12.1).



Map 12.1 The Johannesburg Region

country amidst extremely poor nations like Mozambique, Lesotho, Zimbabwe, Botswana, Namibia, and Swaziland, Johannesburg dominates the southern African region.² Within South Africa, the dominance of the Johannesburg region is unquestioned. The coastal centers of Cape Town

² The sum of the 1997 gross national products (GNP) of these countries is less than one sixth of South Africa's GNP, United Nations Development Programme 1999, pp. 180–3.

and Durban, although they are large and important cities, do not compete with the political and economic power of the Johannesburg region. Johannesburg is therefore set to remain the economic heart of both South and southern Africa (Rogerson 1995).

A number of authors have made the case for Johannesburg to be seen as a regional, if not a world, city (Friedman 1995; Simon 1995). This claim has some substance. Even by global standards the numbers of international flights from Johannesburg airport are significant. The Johannesburg stock exchange is the twelfth most powerful in the world, reflecting the place of South Africa at the leading edge of emerging nations (Beavon 1997). Other indicators of global connectivity abound, from telephone links to Internet usage (South Africa ranks twentieth in connections) (*National Geographic* 1999); the 5.9 million square meters of high-quality office (to which thousands of meters of new A-grade office space is added each year) (Beavon 1997); the concentration of office head quarters (Rogerson 1984); and the growing percentage of the working population who were born outside of the country (Morris 1999; South African Migration Project).

Our concern in this chapter is not to follow the train of analysis that lists the indicators of Johannesburg's world city status, or that which seeks to debate the opportunities or the constraints of globalization for southern Africa's primary city. Instead, we have chosen to reflect on the world city literature to extract analytical tools for reinterpreting urban change in Johannesburg in the post-Second World War period. Our specific attention falls on the utility of linking global economic and demographic shifts to the changing patterns of employment inequality within the city. This chapter is thus a study of the changing relationships between urbanization, racial inequality, and the structure of the labor market in the Johannesburg region.

Race, inequality, and urbanization in the Johannesburg region

Since Johannesburg was first settled in the late nineteenth century, it has been a city of immigrants. Migration from places as diverse as Greece, Britain, Germany, Zambia, Angola, India, and Malaysia meant that it was also an ethnically and racially mixed city (Parnell 1991). As a quasi-colonial city, it was structured in ways that reinforced racial inequality. However, this pattern of racial inequality has changed dramatically over the last half century. Whereas racial inequality was once the touchstone of social inequality in South Africa, inter-racial inequality is increasingly being overshadowed by intra-racial inequality. The most recent analysis

of national trends in household income show that, although inter-racial inequality has decreased over the past two decades or so, this trend has not been accompanied by any decrease in inequality among the population as a whole (Whiteford and McGrath 1994). Instead, figures for 1975 and 1991 show that household income inequality remained very high and unchanged, hovering at a Gini coefficient of 0.68.³

Whiteford and McGrath argue that the erosion of inter-racial inequality has not been accompanied by general decline of inequality because intra-racial household income inequality has grown. In other words, although there has been a general redistribution of income from whites, on the one hand, to Africans, coloreds and Indians, on the other, this has not affected the general pattern of household income inequality because most of the increased income which accrued to the black population has gone to the richest black households. Their evidence from the Population Censuses shows that between 1975 and 1991 the richest 20% of black households became richer in absolute terms. By contrast, the poorest 80% of black households became poorer. This shift in the racial distribution of household income has increased intra-racial inequality to the extent that the Gini coefficient for African households was as high as 0.62 in 1991, almost as high as the Gini coefficient for all households (Whiteford and McGrath 1994, p. 51). This means that intra-racial household income inequality contributed as much as 75% to overall inequality, with inter-racial inequality contributing only 25% (Whiteford and McGrath 1994, p. 57). Rising income inequality was not restricted to black households. Although the incomes of the richest 20% of white households remained unchanged, the incomes of the poorest 40% of white households fell in absolute terms (Whiteford and McGrath 1994, pp. 42–5).

These findings upset the conventional interpretations of South African society that have tended to emphasize the extent and character of inter-racial inequality rather than intra-racial inequality (see Lemon 1991). The reasons why South African scholarship has tended to emphasize inter-racial inequality is obvious: since the earliest colonial times, the South African state has pursued racially discriminatory policies. In more recent decades, the apartheid state was responsible for racially discriminatory policies and laws which regulated the urbanization, education, employment, residence, and political rights of black South Africans. Scholars who opposed the racist policies of the apartheid government were therefore keen to identify the relationship between racially discriminatory state policy, on the one hand, and racial inequality, on the other. Although this

³ South Africa has one of the highest Gini coefficients in the world, comparable with that of Brazil: Whiteford *et al.* 1995, p. 21.

approach to urban studies correctly identified the extent and character of inter-racial inequality and its relationship to government policy, it has generally failed to identify, let alone explain, the rise in intra-racial inequality over the past few decades.

There is another obvious reason why we can no longer rely on racially discriminatory government policies to explain inequality in South Africa. This is because the new democratically elected South African government has abolished all racially discriminatory legislation, including job reservation. Of course, the historical effects of racial discrimination during the apartheid period will continue to cause inter-racial inequality for many years to come. Nonetheless, the evidence suggests that there are other causes of inequality that are at work in South Africa and that these causes are driven by intra-racial divisions. Moreover, these intra-racial dynamics of inequality are increasingly the main cause of inequality within South African society generally, and urban society more directly. Whereas the most startling feature of the South African city was once its division along racial lines, new and less obvious cleavages are now more significant, especially within the African urban population.

Recent research has examined in detail trends in intra-racial inequality in South Africa as a whole (Bhorat *et al.* 2001; Natrass and Seekings 2001; Seekings and Natrass forthcoming). But there has been little work focusing specifically on intra-racial inequality in urban areas. In this chapter we draw upon ideas developed to explain inequality in other world city contexts, to examine certain social dynamics which may be contributing towards rising inequality amongst the African population.⁴

In our search for fresh ideas about the relationship between urbanization and racial inequality, we were drawn to the international literature on social polarization, the underclass, and the emergence of global cities (Fainstein *et al.* 1992; Mollenkopf and Castells 1991; O'Loughlin and Friedrichs 1996; Sassen 1994; Waldinger and Bozorgmehr 1996; Wilson 1987). Although contributions to this literature may disagree on the character of the changes and their implications for racial and ethnic inequality, their arguments share the following conceptual structure. Inequality is explained, at least in part, in terms of the changing relationships between the urban demand for different kinds of labor, on the one hand, and the level of skill that is offered by newcomers to the city, on the other. For example, the most common argument is that newcomers, be they urbanizing rural migrants or foreign immigrants, are poorly educated

⁴ This analysis of inequality from the perspective of the relationship between the changing labor force and urban population growth builds on earlier work on Johannesburg that sought to contextualize the growth in urban poverty (Beall *et al.* 2002).

and therefore eligible for relatively unskilled manual jobs. However, during the second half of this century there have been important changes in the demand for such unskilled manual work in the cities which has changed patterns of urban inequality.

Up until the 1960s, newcomers to the city could be assured of unskilled employment in the unionized manufacturing sector. This form of employment offered relatively high and stable wages as well as the opportunity for upward mobility. Since then, however, many cities in the advanced capitalist countries have seen the decline of the manufacturing sector and the rise of the service sector. Unlike the manufacturing economy of old, the new service economy lacks jobs in the middle-income range. Instead, it features a polarized job market, requiring high levels of skill at the professional end and low skills at the other, with little opportunity for upward occupational mobility. Furthermore, the proportion of low-skilled jobs in the new service economy is relatively low. This economic restructuring has meant that unskilled newcomers to the city are less likely to secure employment. And even if they do find employment, it is more likely to be in dead-end and low-paying service sector jobs. In the United States, this argument has been used to explain, at least in part, the poor performance of racial and ethnic minorities in the urban labor market (Ortiz 1996, pp. 274–5; Wilson 1987, pp. 39–46). With this general hypothesis in mind, we now turn to the analysis of population and employment trends in the Johannesburg Region.

These population and employment trends are based on data from the Population Censuses of 1946, 1951, 1960, 1970, 1980, 1991, and 1996. Population and employment estimates are published for each magisterial district. The boundaries of these magisterial districts usually coincide with the boundaries of local authorities. Where boundaries of these administrative bodies do not coincide, the Census reports provide tables which allowed us to correct the population and employment estimates for each local authority. Obviously, the boundaries of the magisterial districts have changed considerably over the years. However, the pattern was for magisterial districts to be subdivided as their populations grew in size. This made it possible for us simply to add new magisterial districts to our list as the number of magisterial districts within the boundary of the present-day Johannesburg region grew. The population and employment estimates for the Johannesburg region are therefore the sum of the figures for the magisterial districts of Alberton, Benoni, Boksburg, Brakpan, Brits, Bronhorstspuit, Cullinan, Germiston, Heidelberg, Johannesburg, Kempton Park, Krugersdorp, Nigel, Oberholzer, Pretoria, Randburg, Randfontein, Roodepoort, Soshanguve, Springs, Vanderbijl Park, Vereeniging, Westonaria, and Wonderboom.

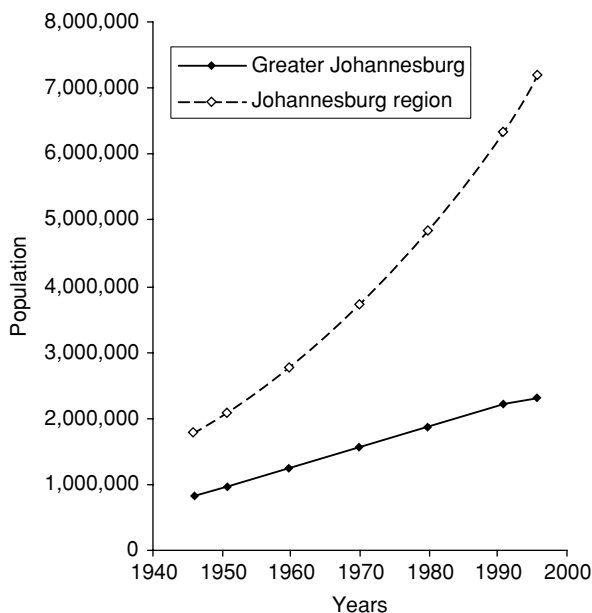


Figure 12.1 Population of Greater Johannesburg and the Johannesburg region, 1946–1996

The estimates for the Greater Johannesburg Metropolitan Council are the sum of the estimates for the magisterial districts of Johannesburg, Randburg, and Roodepoort.

Population trends

In 1996, the urban population of the Johannesburg region was about 7.3 million, which is one third of the national urban population of 21.8 million. The annual growth rate of the population of the Greater Johannesburg Metropolitan Council has declined from 3.2% between 1946 and 1951 to 0.7% between 1991 and 1996. By comparison, the population of the Johannesburg region as a whole has shown a higher and more enduring rate of growth. The annual population growth rate of the Johannesburg region grew from 4.0% between 1946 and 1951 to 6.0% between 1960 and 1970. Thereafter, the population growth rate declined, falling to a rate of 2.8% per annum between 1991 and 1996 (Figure 12.1). The main reason for these divergent trends is that the boundaries of the Greater Johannesburg Metropolitan Council are hemmed in by other urban settlements, except in the southwest. Consequently, whereas

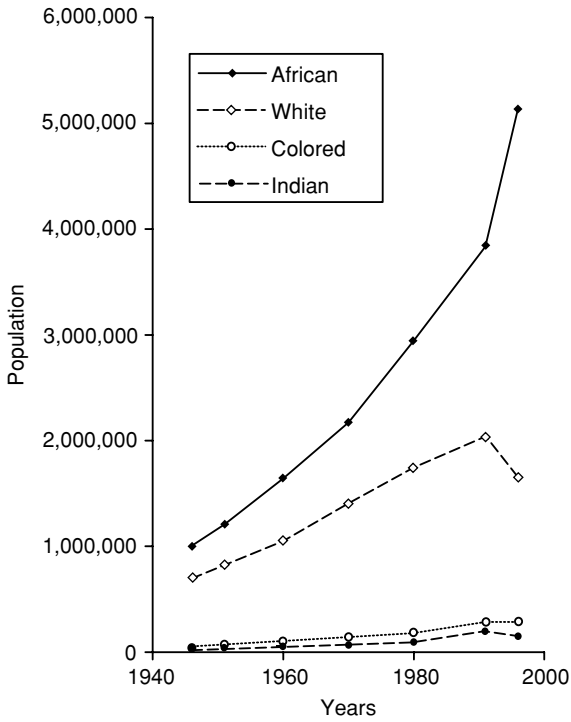


Figure 12.2 Urban Population of the Johannesburg Region by Race, 1946–1996

Johannesburg has almost reached the geographical limits of its expansion, the surrounding regions of the East and West Rand, Pretoria, and the Vaal Triangle have continued to expand outwards.

The racial composition of the Johannesburg region has undergone a radical transformation over the past four decades. When the National Party ushered in the apartheid period in 1948, about 40% of the population of the Johannesburg region were white and most of the remainder was African. Coloreds and Indians together made up less than 4% of the population. Since then, in spite of apartheid policies to achieve quite the opposite, the African population has grown steadily in both relative and absolute terms. By 1996 the proportion of white residents had dropped to one fifth of the population (Fig.12.2). Correspondingly, the African population grew steadily so that by 1996, African residents made up 71% of the population. The population of coloreds and Indians increased, but still remained relatively insignificant in 1996, contributing

only 4% and 2%, respectively, to the total population of the Johannesburg region. The primate metropolis of South Africa has therefore undergone a demographic transition that has mirrored the political transition to black majority rule.

The population data represented in Figure 12.2 exaggerate the rate of increase of the African population since 1991. This is because the official Population Censuses for 1980 and 1991 excluded settlements such as Mabopane, Ga-Rankuwa, Winterveld, and Babalegi that lie to the north and northwest of Pretoria. These areas fell within the boundaries of the Bophuthatswana "homeland" and, in keeping with the policy that granted this territory "independence" from South Africa, the apartheid government excluded these areas from its Population Censuses for those years (Smith 1982). However, since townships such as Mabopane and Ga-Rankuwa were officially established in the early 1970s, their populations grew steadily as a result of both forced relocation from Pretoria and from urbanization that was displaced by influx control to the Bophuthatswana homeland (Hattingh and Horn 1991). The inclusion of the populations of these settlements in the latest census more accurately reflects the *de facto* integration of these populations as long-range commuters in the Johannesburg regional economy (Pirie 1992).

These trends in the racial composition of the population show that Africans comprise the vast majority of Johannesburg's residents. Moreover, according to these trends, the proportion of Africans in the population will increase even further. For the purposes of this study, this means that it is the social characteristics of the African population that will drive the social characteristics of Johannesburg's population in the future. Specifically, as non-Africans become a smaller and smaller proportion of Johannesburg's population, so the contribution of intra-racial inequality to overall inequality will decline. Conversely, as Africans increasingly predominate in the population, so intra-racial inequality among Africans will increasingly contribute to overall inequality. The following section of this chapter therefore turns to an analysis of employment trends in the Johannesburg region with a view to understanding how these trends have shaped inequality amongst the African population.

Trends in employment by economic sector

Although the community, social, and personal services sector remained the single largest employer for most of the apartheid period, there have been substantial employment shifts in other sectors. Before the 1960s, the mining sector was the single largest employer of labor. However, as the gold ore in the Witwatersrand mines was steadily worked out, mining

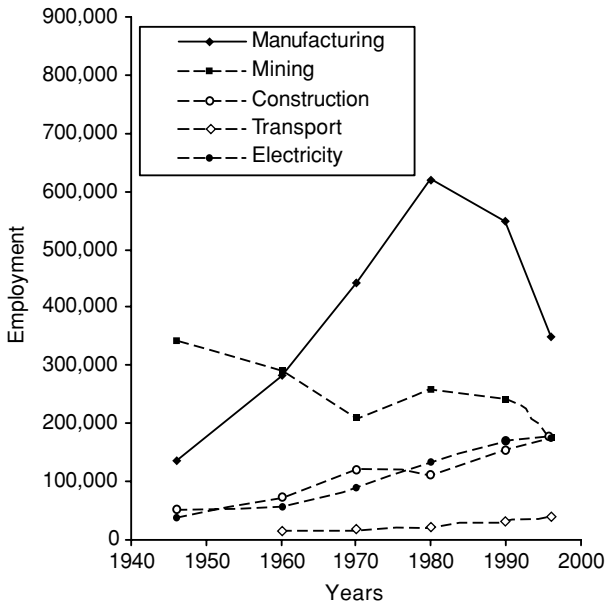


Figure 12.3 Primary and secondary sector employment in the Johannesburg region, 1946–1996

employment moved out of the Johannesburg region to the new gold fields being opened up in the Orange Free State. The sudden increase in mining employment between 1970 and 1980 was due to the development of new mines on the West Rand (Figure 12.3). The manufacturing sector, which started out as a service industry to the gold mines, grew steadily so that by the 1960s it had become the largest sector after the community, social, and personal services sector. Manufacturing employment grew steeply during the boom years of the 1960s and early 1970s. However, with the onset of a long-term phase of lower output growth, manufacturing employment went into sharp decline thereafter. Although employment in the smaller industrial sectors of (i) construction, (ii) electricity, gas, and water, and (iii) transport and communication grew at a much slower rate during the 1960s and 1970s, it did not follow the decline of manufacturing employment after 1970. Instead, employment in these sectors, apart from a temporary drop in employment in the construction sector, continued to grow, albeit at a relatively slow rate.

In contrast to employment trends in the manufacturing and mining sectors, employment in the tertiary sector continued to grow between 1980 and 1991 (Figure 12.4). Only after 1991 was there a sharp downward

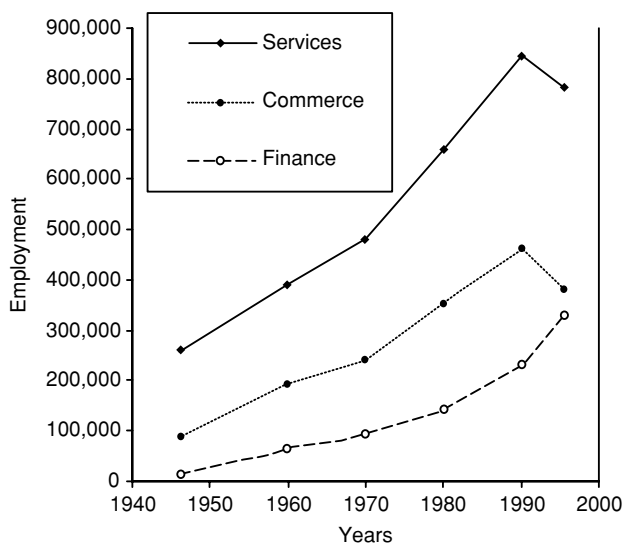


Figure 12.4 Tertiary sector employment in the Johannesburg region, 1946–1996

employment trend in the community, personal, and social services sector and the commercial sector. However, the financial sector continued to grow, employment increasing even more rapidly between 1991 and 1996.

What are the likely causes of this precipitous decline of the manufacturing sector? There is some agreement among scholars that South Africa's manufacturing sector did not achieve its potential growth. In other words, output has been less than what would have been expected, given the available resources for economic growth (Joffe *et al.* 1995, p. 12; Moll 1991, p. 289). This weak economic performance has, at least in part, been attributed to poor macro-economic management, on the one hand, and inappropriate domestic policies on the other. Specifically, the expansion of the manufacturing sector under the policy of import substitution during the 1960s and 1970s was constrained by the lack of foreign exchange. This problem was not remedied by the switch to an export-led policy of industrialization in late 1970s because of high interest rates that made loans prohibitively expensive. As far as domestic policies were concerned, there were at least two important policies that restricted manufacturing growth in Johannesburg. These were the industrial decentralization policy and education policy, both of which aimed to curb African urbanization. The former policy forced manufacturers either to cut back on African labor or to relocate to remote decentralization

districts. Education policy was to limit African urbanization by restricting the provision of secondary education in Johannesburg. This obviously had the effect of exacerbating an already chronic shortage of skills.⁵

These sectoral employment trends for the Johannesburg region suggest that the urban labor market has undergone a major structural shift. The only common feature of the early and late apartheid periods was the consistently high level of employment in the community, social, and personal services sector. In all other respects, there have been dramatic changes in the sectoral composition of employment. The early apartheid period was characterized by relatively high levels of demand for unskilled and semi-skilled labor in the mining and manufacturing sectors. The late apartheid period, by contrast, was characterized by the increased demand for skilled white-collar and professional employment in the commercial and financial sectors. Specifically, in 1970, manufacturing employment accounted for 25% of all employment, whereas the commercial and financial sectors accounted for 13% and 5%, respectively. By 1996, employment levels in the manufacturing, commercial, and finance sectors had almost converged. Whereas the percentage of the workforce employed in the manufacturing sector had dropped to only 14%, the percentages for the commercial and financial sectors had increased to 15% and 13%, respectively.

The 1996 Population Census provides us with useful data for testing our hypothesis because it recorded the economic sector of each employed resident. The theory that social polarization of cities is due to economic change associated with the shift from manufacturing employment to employment in the tertiary sector hinges upon the argument that income and skill distributions are more polarized in the service sector than in the manufacturing sector (Sassen 1994). We have tested this theory by comparing the occupational profiles of employers in the mining, manufacturing, and service sector. We have broken down service sector employment into three categories. The first category is what is often classified as "commerce." This sector includes (i) all wholesale and retail trade, (ii) the repair of motor vehicles, motor cycles, and personal and household goods, and (iii) the hotel and restaurant trade (*Standard Industrial Classification* 1993). The second category is "Community, social, and personal services." The most important areas of employment within this category are (i) government administration, (ii) the defence force, (iii) public and private educational services, (iv) public and private health services, and (v) personal services (particularly domestic service). The third category is "Financial intermediation, insurance, real estate, and Business Services."

⁵ For a more detailed review of this question, see Beall *et al.* 2000.

Table 12.1 *Distribution of employment in major occupational groups by sector (Johannesburg region, 1996)*

	Mining and quarrying	Manufacturing	Commerce (wholesale and retail trade)	Financial, insurance, real estate, and business services	Community, social, and personal services
Legislators, senior officials, and managers	2%	6%	11%†	8%	2%
Professionals	5%	5%	2%	17%†	21%†
Technicians and associated professionals	3%	7%	7%	17%†	7%
Clerks	3%	8%	14%†	26%†	7%
Service workers, shop, and market sales workers	3%	4%	28%†	18%†	11%†
Craft and related trades workers	49%*	36%*	17%†	4%	2%
Plant and machine operators and assemblers	22%*	20%*	5%	3%	2%
Elementary occupations	13%*	12%*	16%	6%	44%
Total	100%	100%	100%	100%	100%

* Important shrinking occupations

† Important expanding occupations

Source: Calculated from the community-profile database of the 1996 Population Census provided by statistics South Africa, Pretoria.

Occupational profiles prepared from the 1996 Population Census suggest that these service sectors are associated with greater skill polarization. Table 12.1 shows that the tertiary sectors employ somewhat higher proportions of managers, professionals, technicians/ semi-professionals, clerks, and sales workers than the manufacturing and mining sectors. Similarly, the tertiary sectors employ a relatively higher proportion of “elementary” or unskilled workers than the manufacturing and mining sectors. Specifically, the managerial, professional, technical, clerical, and sales occupations account for 20% of all employment in the commerce sector, 42% in the finance sector, and 30% in the community, social, and personal service sector. These percentages are substantially higher than the 10% and 18% for the mining and manufacturing sectors, respectively (Table 12.1). The same can be said for the category of “elementary” or unskilled occupations. Unskilled employment accounts for 44% of jobs in the community, social, and personal service sector and 16% of jobs in the commerce sector. This is somewhat higher than the 13% and 12% for the mining and manufacturing sectors, respectively. The only tertiary subsector that does not follow the pattern is finance, which has a very low percentage (6%) of unskilled employment (Table 12.1).

This structural shift in the demand for employment has been an important cause of rising inequality among the urban African population. We argue that the urban labor market of the pre- and early apartheid period needed a relatively high proportion of unskilled manual labor. This period therefore offered employment opportunities for poorly educated rural migrants, many of whom used this opportunity to urbanize permanently. However, the late apartheid period saw the decline in the demand for unskilled labor and even semi-skilled manual work and the relative rise in demand for white-collar employment. This meant that during the 1980s and 1990s, educated Africans who had urbanized during the early apartheid period were relatively well placed to secure employment in these more skilled jobs. By contrast, poorly educated rural migrants, who were qualified for only unskilled work, were much more likely to face unemployment. In other words, much greater levels of social polarization are evident in the later period. This argument is elaborated in the following sections.

African differentiation in the urban labor market⁶

Throughout its history, the gold mining industry on the Witwatersrand has relied primarily upon the cheap labor of rural migrants. The relatively

⁶ This section draws upon Crankshaw 1997.

small number of skilled jobs were occupied by whites who, through their trade unions and with government support, jealously guarded their wages and jobs against undercutting by unskilled African labor. Employment opportunities for African workers were therefore numerous, but restricted to unskilled and semi-skilled manual jobs. Consequently, Africans who worked in the mining industry were poorly educated rural migrants who had few other opportunities for urban employment. The manufacturing industry was not much different. White workers, usually from urban backgrounds and with higher levels of education, were in a better position than Africans to secure the top-end of semi-skilled factory jobs. The skilled trades were also dominated by white workers who excluded Africans from apprenticeships and employment in the skilled trades. When the jobs of white workers were threatened by undercutting from cheaper African labor, they were usually successful in lobbying the government to reserve certain occupations for white employment only. So, in a similar fashion to the mining industry, African employment in the manufacturing sector was restricted to unskilled and lower-paid levels of semi-skilled work which was attractive to poorly educated rural migrants.

We know very little about the urbanization careers of these African workers subsequent to their arrival in Johannesburg. However, we do know that the African population of Johannesburg grew steadily as a result of the demand for their labor in the mines and factories. By the 1940s, this led to a housing crisis and squatter movements sprang up all over the Witwatersrand (Bonner 1990). The response of the government was to provide low-cost public housing for Africans on an unprecedented scale during the 1950s and early 1960s. Although the provision of this housing went hand in hand with forced removals, tight controls over the urbanization of Africans and the racial segregation of Johannesburg's residential areas, it nonetheless granted permanent urban status to a large number of African families. In the subsequent decades of the 1960s and 1970s, government policies and laws continued to draw a deep division between Africans with urban rights and those without them (Hindson 1987). Africans who were not born within the urban boundaries of the Johannesburg region could not qualify for permanent urban residence. These rural-born migrants who were employed in the Johannesburg Region were granted only temporary urban rights and were forced to live in hostels while their families continued to live at their rural home. By contrast, Africans with urban rights were free to live and work in the Johannesburg region, although only in prescribed areas and jobs. The overall impact of these policies was to reinforce and perpetuate the division between urbanized and migrant Africans.

During the 1960s and 1970s, the Johannesburg region experienced sustained and rapid growth in employment. This led to a chronic shortage of white labor, first in the skilled manual trades and then later in white-collar occupations. Employers responded to this shortage by calling for the fragmentation of the skilled trades and for the employment of African labor in these fragmented semi-skilled tasks, which were the preserve of skilled white artisans. This entailed confronting white trade unions and lobbying the government to reform both its employment and educational policy towards urban Africans. During the late 1960s and early 1970s, a set of compromises between business, white unions, and the government were struck. The essence of these agreements, across a variety of sectors, was that Africans could be advanced into semi-skilled, supervisory, and white-collar jobs on the condition that it did not adversely affect the employment conditions of white workers. This period of accelerated growth in output therefore saw the expansion of semi-skilled machine operative employment, which entailed precisely those jobs which had been opened up for African employment. However, not all Africans benefited equally from this growth in semi-skilled employment. Since employers were increasingly obliged to train African workers for these more skilled jobs, they began to switch from a low-wage, low-skill employment strategy to a high-wage, high-skill strategy. By increasing wages, employers aimed both to attract and to retain better-educated labor. Since migrant workers were both less educated and had a higher turnover, employers began to prefer urbanized African workers (Crankshaw 1997, pp. 110–12). So, whereas up until the 1950s, manufacturers usually preferred to employ migrant workers because they were cheaper, by the end of the 1960s, these same employers were turning to urbanized African workers instead (Posel 1991, p. 169).

Somewhat later, shortages of white labor began to manifest themselves in the tertiary sector. These sectors were poorly unionized and white workers showed little inclination to resist the employment of Africans in routine clerical and sales work. Under pressure from business, state educational policy was reformed to increase the supply of educated African labor in urban areas. Consequently, businesses began to employ Africans in white-collar and semi-professional occupations from the late 1960s. The beneficiaries of these reforms were mostly urban Africans who were educated in the new urban high schools that were established from the early 1970s.

However, if opportunities for upward occupational mobility were improving for educated Africans, the reverse was true for those whose education had not prepared them for anything but unskilled manual work.

The growing preference of employers for more capital-intensive methods of production and the employment of semi-skilled African machine operatives resulted in the steady decline in the demand for unskilled manual labor. The falling demand for unskilled workers coincided with growing unemployment levels. The relatively low rate of employment growth from the mid-1970s did not keep up with the population growth rate and the discrepancy in these growth rates has been the major cause of rising unemployment in South Africa since the end of the 1960s (Bell and Padayachee 1984).

So, the late apartheid period was characterized by the occupational differentiation of the urban African population. On the one hand, reforms to apartheid policy opened up more skilled and professional work for educated and urbanized Africans in the secondary and tertiary sectors. On the other hand, employment opportunities for unskilled African workers, who were usually rural migrants, declined.

There is some quantitative evidence to support our argument concerning the causes of increasing differentiation within the African population of Johannesburg. This evidence is based on the results of a household survey of Soweto, the largest African township in the Johannesburg region.⁷ These results are based on interviews with a senior adult in the household, who was usually the major breadwinner. The interviewers recorded the respondents' place of birth and when they were born. If the respondent was not born in Greater Johannesburg, the interviewer recorded the year in which s/he first moved there. The interviewers also recorded the respondents' employment status and occupation. We then categorized the respondents into four groups according to where they were born and when they entered the urban labor market. We chose 1980 as the cut-off point because this was the Census year that marked the beginning of employment decline in the manufacturing industry. So, respondents who were born outside the Johannesburg region were divided into two groups: those who arrived in the region before 1980 and those who arrived in 1980 or later. For respondents who were born in the Johannesburg region, we assumed that they entered the labor market at the age of twenty and

⁷ The questionnaire and sample were designed by Owen Crankshaw in consultation with other members of the Soweto in Transition Committee, Sociology Department, University of the Witwatersrand. The logistical aspects of the fieldwork were managed by Progressus cc. and the quality of the interviews and the sample was monitored in the field by Owen Crankshaw. The authors are grateful to the members of the Soweto in Transition Committee (Sociology Department, University of the Witwatersrand) for their permission to use the results of the Soweto Household Survey. We also acknowledge the financial contributions made to the Soweto Household Survey by the Johannesburg Metropolitan Council, the Anglo American Chairman's Fund and the Human Sciences Research Council.

divided them into those who were born before 1960 and those who were born in 1960 and later. Controlling for place of birth, our aim was to compare the employment status and occupation of respondents who entered the labor market before 1980 with those who had entered the labor market during and after 1980.

The results of this analysis show that there is a distinct difference in the employment status of residents who were either born in the region or who urbanized before 1980, on the one hand, and those who urbanized after 1980. Whereas the former have an unemployment rate of about 25%, the latter have an unemployment rate of 30% (Table 12.2). In other words, respondents who were born in the Johannesburg region had the same unemployment rate, regardless of when they entered the labor market. By contrast, there was quite a distinct difference among rural-born respondents in the proportion of unemployed respondents who entered the labor market before and since 1980. Whereas 22% of the rural-born respondents who urbanized before 1980 were unemployed, the percentage of rural-born respondents who urbanized since 1980 was significantly higher at 30% (Table 12.2).⁸

Similarly, there is some evidence to show that Sowetan adults who were born in the Johannesburg region or who urbanized there before 1980 were more likely to establish themselves in clerical and sales jobs or semi-professional, professional, and managerial careers than their fellow residents who urbanized from 1980 onwards. The percentage of respondents employed in these white-collar occupations who were either born in the Johannesburg region or arrived there before 1980 was almost twice that of those who urbanized from 1980 onwards (Table 12.3). Specifically, the percentage of respondents employed in these white-collar jobs who were born in the Johannesburg region was 33% (born before 1960) and 36% (born after 1960). Those respondents who urbanized before 1980 were somewhat less successful in securing white-collar employment, with a percentage of 26%. Respondents who urbanized after 1980 were even less successful, with only 18% of them employed in such white-collar jobs. So, these findings suggest that more recent newcomers to the Johannesburg region have been less successful at securing white-collar employment than established urbanites and those who arrived before 1980.

On the face of it, these results do not support our hypothesis as strongly as we expected them to. One reason for this may be that Soweto is atypical of African townships in the Johannesburg region. It is generally understood to have a population that is relatively better off than most other

⁸ The sample size for these estimates is large enough to ensure that they are accurate to within 5% in 95% of cases.

Table 12.2 *Distribution of employment status of Sovetans by year of birth or arrival in the Johannesburg region (1997)*

	Born in the Johannesburg Region		Born outside the Johannesburg Region	
	Born before 1960	Born in 1960 or later	Arrived before 1980	Arrived in 1980 or later
Employed full time	63%	60%	65%	56%
Employed part time	5%	6%	4%	9%
Self-employed	6%	10%	10%	5%
Unemployed	25%	24%	21%	30%
Total	100%	100%	100%	100%
Sample size	955	380	652	451
Correlation coefficient (Cramer's V)		0.34		0.49

Sources: The results presented in this table are based on a household survey of the African townships of Greater Soweto which was conducted during February 1997. Altogether, 2,947 interviews were conducted, using a stratified cluster sample. The respondent in each household was a senior adult, usually a major breadwinner. For a detailed discussion of the sampling method, refer to Morris *et al.* 1999.

Table 12.3 *Distribution of the occupations of employed Sowetans by year of birth or arrival in the Johannesburg region (1997)*

	Born in the Johannesburg Region		Born outside the Johannesburg Region	
	Born before 1960	Born in 1960 or later	Arrived before 1980	Arrived in 1980 or later
Never employed	4%	5%	3%	5%
Unskilled manual workers	30%	14%	36%	25%
Semi-skilled manual workers	30%	42%	30%	39%
Routine security workers	2%	2%	4%	11%
Clerical or sales workers	17%	25%	14%	13%
Professionals, Semi-professionals and managers	16%	11%	12%	5%
Other	1%	2%	1%	2%
Total	100%	100%	100%	100%
Sample size	955	380	652	451

Source: See Table 12.2.

townships, including the formal townships of the East Rand (Seekings n.d.). If survey results of Alexandra (a traditionally poorer township to the north of Johannesburg), Orange farm (a new informal settlement), or Winterveld (a sprawling homeland settlement near Pretoria) were considered, the differences in unemployment rates between urbanites and recent migrants are likely to be greater. Unfortunately, there are no appropriate survey data for these areas.

Conclusion

In this chapter, we have made an attempt to identify and measure the relationship between urbanization and inequality in the Johannesburg region. Our starting point is the finding that inequality in South Africa is increasingly being driven by causes that are intra-racial in character rather than inter-racial. We have explored the hypothesis that there is an important division between urbanized Africans on the one hand, and rural migrants or recently urbanized, rural-born Africans, on the other. Our inspiration for this hypothesis comes from the literature on social polarization, which identifies a relationship between deindustrialization and rising inequality among new arrivals in major urban centers.

We have tested this hypothesis by examining changing urbanization policy and employment trends during the apartheid period. Our findings show that the Johannesburg region has experienced a dramatic decline in manufacturing employment since the late 1970s. Over the same period, there has been an increase in service sector employment. In conjunction with the probable effects of apartheid policies on African urbanization, education, and employment, these overall employment trends have, at least in part, contributed towards growing inequality between established urban Africans, on the one hand, and rural-born migrants, on the other. This finding therefore suggests that income inequality in Johannesburg is being shaped to some extent by deindustrialization and its associated pattern of social polarization.

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