

MAJOR SOCIO-ECONOMIC REGIONS RATED IN ORDER OF ECONOMIC GROWTH

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In the "Journal for Regional Planning" no. 7, Dr. P.E. Claassen (1, p. 9) describes methods of determining the growth of a region. The author discussed three different methods of determining the "sectoral shift" in the industrial sector of a region. The rationale behind sectoral shift being that a positive shift in sectors between two census periods that have a possibility for quick growth and a negative shift in sectors which offer little growth prospects indicate that the region's position has improved and vice versa.

Another method which was used by the Bureau of Market Research at the University of South Africa to measure the growth potential of 54 magisterial districts which together contributed 77% of the Republic's Gross Geographic Product in 1968 (2, p. 19), is simply to calculate the economic growth index which measures the growth of the region relative to the average growth of all the regions, that is, the total Republic.

The four indicators which were used to calculate the economic growth index of the different regions were as follows:

1. Weighted population growth rate, weighted in accordance with the economic importance of the different race groups (whites multiplied by 8,35; asians by 2; coloureds by 2; and blacks by 1).
2. Personal income growth rate at constant prices, i.e. after deflation by the Consumer Price Index.
3. Gross Geographic Product growth rate at constant factor prices.
4. Banking deposits growth rate at constant factor prices.

The growth rates of the above indicators were calculated at constant prices between 1970 and 1977 to determine real growth.

Official census figures and data supplied by the Bureau of Market Research at the University of South Africa were used to calculate these growth rates. Black homeland areas have been excluded from this study.

THE ECONOMIC GROWTH INDEX

To find the economic growth index the growth rates of the four indicators were found for each region and the R.S.A. Then the arithmetic mean of the four growth rates was found for each region and the country as a whole. The economic growth index was then calculated by expressing each region's average growth rate as a percentage of the Republic's average growth rate. The Republic's economic growth index equals 100

and is the yardstick by which the other regions are measured. Those regions with a growth index below 100 are thus growing below the national average, and those growing above 100 are growing above the national average.

CONCLUSION

Interesting to note from the table below is the fact that the major urban areas in South Africa, such as Durban/Pinetown, Port Elizabeth/Uitenhage, Pretoria, Peninsula and Johannesburg are all growing below the national average. Growth rates should, however, be evaluated against the background of the relative importance of an area's economy. Some areas develop at a very high growth rate, yet their economic base is so small that they remain unimportant.

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<u>RATING</u>	<u>ECONOMIC REGION</u>	<u>ECONOMIC GROWTH INDEX</u>
1	West Rand (31)	198
2	North West Natal (29)	193
3	Lydenburg/Pilgrim's Rest (41)	185
4	Natal North Coast (28)	173
5	O.F.S. Goldfields (48)	168
6	Sasolburg (57)	161
7	Germiston/Kempton Park (35)	159
8	Eastern Free State (51)	138
9	Peddie/King Williamstown (19)	138
10	Klerksdorp/Potchefstroom (45)	130
11	Natal Midlands (26)	129
12	Northern Transvaal (43)	128
13	Central Transvaal (38)	125
14	East Rand (34)	117
15	Vereeniging/Vanderbijlpark (32)	116
16	Nelspruit/White River (40)	112
17	South Central Transvaal (46)	112
18	South Western Transvaal (44)	109
19	Kirkwood-Bathurst (18)	108
20	Durban/Pinetown (23)	99
21	Western Transvaal (37)	99
22	Western Natal (25)	98
23	South Western Cape (04)	98
24	Uniondale/Humansdorp (09)	96
25	Port Elizabeth/Uitenhage (10)	95
26	Ladismith/Oudtshoorn (07)	90
27	Northern Cape (17)	90
28	Pretoria (36)	88
29	Peninsula (01)	86
30	East Central Cape (21)	86

(continued)

<u>RATING</u>	<u>ECONOMIC REGION</u>	<u>ECONOMIC GROWTH INDEX</u>	<u>REFERENCES</u>
31	Central Free State (55)	85	1. Claassen, P.E. : "Relatiewe sektor-verskuiwing : n vergelyking tussen drie berekenings- metodes"
32	Lower Tugela (27)	85	
33	Kimberley & surroundings (16)	84	Journal for Regional Planning No. 7, April 1978
34	Bothaville/Parys (49)	82	
35	Letaba (42)	81	2. Van Wyk, H. de J.: Personal income, Population and Gross Geographic Product of growth areas in South Africa.
36	North West Free State (47)	79	
37	South Eastern Transvaal (39)	75	Bureau of Market Research University of South Africa Research Report no. 56, 1977
38	Western Free State (56)	74	
39	East London (20)	71	
40	North Western Cape (02)	76	
41	Boland (05)	64	
42	Natal South Coast (24)	63	
43	Johannesburg (33)	61	
44	Cape Midlands (13)	60	
45	North Central Free State (50)	60	
46	West Central Cape (11)	49	
47	Mosel Bay/Knysna (08)	46	
48	North Eastern Free State (52)	44	
48	Vredendaal/Clanwilliam (03)	37	
50	Caledon/Riversdale (06)	20	

