Early roots of "coloured" poverty: How much can 19th century censuses assist to explain the current situation?

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Abstract

The coloured population comprises almost 10 per cent of the South African population, earning only a slightly smaller proportion of national income. The average income of this group hides, however, startlingly large disparities in living standards. Their Gini coefficient has been rising, and depending on the data source one uses, appears to be close to or even above 0.60 – a level exceeded by few countries. Poverty levels are high; roughly one-quarter to one-third of all coloured people can be classified as poor, depending on the poverty line used.

This poverty is in spite of the fact that during the apartheid era, coloureds were never subjected to quite the same levels of economic and socio-political discrimination as blacks and shared common languages and much of their culture with whites, which could have served as lubricant for social mobility into the middle class. Taking cognisance of these facts, the question arises why so many coloured people find themselves in a poverty trap.

This paper takes a historical approach in an attempt to provide some pointers as to why poverty has remained so pervasive within this group. We present statistics on the socio-economic position of this population group, starting in 1865, when the first official census was conducted in the Cape Colony. We highlight information of interest wherever early censuses allow. This is followed by an examination of censuses and surveys dating from 1970 onwards, using micro datasets. Patterns of educational progress and exclusion are highlighted and compared with those of other groups, where possible and appropriate, because of the importance of such patterns for intergenerational social mobility.

Keywords: Coloured community; South Africa; Cape Colony; Poverty; Education; Poverty trap; Occupation; Educational attainment; Educational patterns; Urban; Rural.

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Introduction

One of the "groups" distinguished in apartheid South Africa was the "coloured" population, whose diversity was perhaps greater than their common characteristics. Their ancestors include Khoe, San, Malays, Europeans, Indonesians, Indians and black Africans. In some censuses the term "mixed" was used to identify this group. Today, the apartheid "identity" is still used for much demographic and other analysis.[2]

The coloured population now comprises almost 10 per cent of the South African population, earning only a slightly smaller proportion of national income. They are thus similar to the South African average, but as for South Africa, "average" incomes of this group hide startlingly large disparities in living standards. The Gini coefficient of this group has been rising, and depending on the data source one uses, appears to be close to or even above 0.60 – a level exceeded by few countries.[3] Poverty levels are high; roughly one-quarter to one-third of all coloured people can be classified as poor, depending on the poverty line chosen and the dataset used (RDP[4]/ World Bank)[5]. According to the 2010 General Household Survey the coloured population constituted 21.9% of social security grant beneficiaries, more than twice their population share, reflecting the fact that many are poor enough to qualify for such grants through the means test. This poverty is despite the fact that coloureds were never subjected to quite the same levels of economic and socio-political discrimination as blacks[6] and shared a common language and much of their culture with whites, which could have served as lubricant for social mobility into the middle class. Why, then, do so many coloured people find themselves in a poverty trap?

This puzzle is one that an investigation of current poverty can only illuminate very imperfectly. Some historical analysis is necessary to throw more light on the subject. There is another puzzle concurrent in the behaviour of this population group, perhaps rooted also in events of almost a century ago,

2 For an analysis of the "myth of coloured identity", the reader is referred to RE Van der Ross, *Myths and attitudes: An inside look at the Coloured people* (Cape Town, Tafelberg Publishers, 1979). Putterman and Weil also use coloured identity to show how the historical background of a country's residence is correlated with income inequality today. L Putterman & D Weil, "Post-1500 population flows and the long-run determinants of economic growth and inequality", *The Quarterly Journal of Economics* 2010, 125(4), pp. 1627-1682.

3 The Gini coefficient is a measure of inequality that ranges from 0 (complete equality) to 1 (complete inequality).

4 Reconstruction and Development Programme, RDP Policy Framework, 1994.

5 World Bank, World Development Indicators, 2009.

6 S Van der Berg, "Consolidating South African democracy: The political arithmetic of budgetary redistribution", *African Affairs,* 1998, 97, pp. 251-264.

viz. surprisingly early exit from schools or, put differently, failure to progress to higher levels of education. This paper discusses both these puzzles, and provides some largely circumstantial evidence across datasets that span a century and a half, that these two puzzles may be linked in some way. One specific factor that may have played a role in both these puzzles is the strong rural roots of a large part of the coloured population, and particularly of that part of this population that was most excluded from the economic and political mainstream for a large part of modern South African history. We employ the lens of institutional economics to investigate these issues. These are issues that this paper starts to address, using some limited information from cross-sectional data sources and through the lens of an institutional economics approach.

An important issue for this paper is the evolution of the economic position of coloured people over time, and crucially, the extremely slow economic progress made by a part of this population. The paper postulates that the poverty trap which many of this group seem to have fallen into can be traced back to earlier generations. Censuses at the end of the 19th century and the middle of the 20th century as well as insights into the educational trajectory of the population deduced from the profile of older birth cohorts in recent surveys and censuses offer some hints of factors that may have influenced poverty. However, "causal" links cannot be established with the available data: the best that can be done with current information is to start telling a plausible story that can tie together whatever evidence can be found in the available sources. This paper is therefore very much exploratory work.

This is a narrative about institutions: the institutions (whether formal or informal) that contribute to poverty today have their roots in the past. Once development has been set on a particular course, informal institutions and learning by role players may reinforce this course. Such path dependency can offer one possible explanation of why a situation that existed in the late 19th century or even earlier can propagate itself forward over time and still affect current patterns of social and economic mobility and the path of poverty and development.

One modest contribution of this paper is to present some statistics on the socio-economic position of this population group, starting in 1865, when the first official census was conducted in the Cape Colony. Descriptive data from a number of early censuses hint at the relative economic position of members of this group; the paper attempts to highlight information of

interest to economists and other social scientists wherever early censuses allow. This is followed by an examination of censuses and surveys dating from 1970 onwards, using micro datasets. This allows an analysis of evolving trends for this population group but also, using older birth cohorts, deductions about the path of educational evolution over a substantial period. Patterns of educational progress and exclusion are compared with those of other groups because of the importance of such patterns for intergenerational social mobility. An overview of this nature may provide some pointers as to why poverty has remained so pervasive within this group.

A framework for considering coloured poverty in a historic and current context

The economic development of the coloured population came strongly onto the agenda in 1973 with the appointment of the Theron-commission of enquiry regarding the coloured community. For purposes of analysing the socio-economic position of the coloured population, the Commission distinguished three groups: An established middle-class constituting perhaps 20% of the population (we shall refer to this as Quintile 5, following a more recent terminology); a middle group of perhaps 40% vacillating between the middle class and the chronically poor (Quintiles 3 and 4; this group was for part of the analysis again split into an upper and a lower half); and a bottom stratum of perhaps 40% (Quintiles 1 and 2) that was perceived by the Commission to be caught in a subculture of chronic and institutionalised community poverty. Deviant behaviour amongst this last group was regarded as an important aspect holding them back from full participation in the modern economy. Sampie Terreblanche, who played a prominent role in the Commission's economic analysis, wrote in a different context that "… the total lifestyle of members of the lower strata constitutes a state of chronic poverty. People living under these conditions are uneducated, come from broken homes, have few aspirations, and are emotionally confused. Each of these disabilities is intensified by the fact that it occurs in a network of disabilities. This lifestyle exists not only in material terms, but also represents a spiritual or "cultural" poverty defined by the fact that it constitutes a backward sub society in a modern, advanced and progressive society."[7]

7 SJ Terreblanche, *A history of inequality in South Africa, 1652-2002* (Durban, University of KwaZulu-Natal, 2002), p. 41.

One manifestation of the effect of past events is that the tot system, introduced on wine farms as part of payment for unskilled labour, still casts a long shadow in terms of patterns of alcohol abuse, foetal alcohol syndrome and alcohol-related illnesses and behavioural pathologies.[8] Still today the Western Cape has the highest incidence of foetal alcohol syndrome (FAS) in the world.

The Theron Commission[9] saw delinquent behaviour as the result of long term downward structural forces and the subsequent development of "stretched values" (which surfaced in high crime rates, poor family values, delinquency, etc.) in order to cope with these forces. This view is nicely in accord with the perspective of institutional economics, as discussed below, of how a poverty trap comes into being and is propagated over time. The Commission recommended drastic and widespread policy measures to eradicate chronic community poverty. Almost four decades later one may well ask how much the situation has improved; it appears that, despite the poorer parts of the coloured community having made progress in some respects since the mid-1970s, delinquent behaviour is still endemic amongst a large part of this community (alcohol abuse and crime are two areas of particular concern)[10] and they still do not appear to have found a ladder out of poverty.

Adato, Carter and May[11] explore whether socio-economic polarisation under apartheid, where race and class were highly correlated, prevented conventional avenues of upward mobility and whether segmentation and limited social capital accumulation continued to constrain mobility. But political exclusion in the apartheid era offers only a partial explanation, as this would not explain differences within this population group, nor the greater success in social mobility of the Indian population,[12] who faced similar restrictions than the coloured population.

8 S George, RD Rogers & T Duka, "The acute effect of alcohol on decision making in social drinkers", *Psychopharmacology*, 2005, 182(1), pp. 160-169; BC Leigh & R Stall, "Substance use and risky sexual behaviour for exposure to HIV. Issues in methodology, interpretation, and prevention", *Am Psychol*, 1993, 48, pp. 1035–1045.

9 South Africa, *Commission of inquiry into matters relating to the Coloured Population Group (Theron Commission)* (Government Printer, Pretoria, 1977).

10 In the Western Cape, where the coloured population dominates, violence, much of it within families and acquaintance groups, is the major cause of death amongst young adult males (between 15 and 40 years). Such violence encapsulates both crime and alcohol abuse.

11 M Adato, MR Carter, & J May, "Exploring poverty traps and social exclusion in South Africa, using qualitative and quantitative data", *Journal of Development Studies*, 2006, 42(2) pp. 226-247.

12 Specifically those Indians arriving after 1860.

What institutions and institutional development could have been responsible for the formation of an "underclass" amongst the coloured population, and what have been the consequences? Mogues and Carter[13] suggest that an individual's investment in social capital is shaped by social identity. Perhaps the historical lack of advancement of the coloured population can be, in part, explained by their social identity. The census data from the late-nineteenth century can be considered an illustration of how shifting identities, ascribed to them by others, have long dogged this part of the South African population.[14]

As institutions provide the incentives according to which individuals shape their actions, how such institutions evolve in a country can perhaps explain the existence of poverty traps. For development to occur requires that the signals that stimulate productivity must dominate over those that dampen it. On a micro level, individuals will invest in their own social capital when the perceived benefit of that investment is greater than the expected costs. According to North[15], the difference between Darwinian evolutionary theory and institutional change lies in intentionality – individuals will make choices according to their perception of the consequences of those choices.

Did "formal institutions" prevent a poor segment of the coloured community from investing in their own social capital, or was this rather due to "inefficient informal institutions" (i.e. culture and norms), as suggested by the Theron Commission? One view consistent with the evidence presented later in this paper is that many members of the coloured community got locked in as agricultural workers and did not invest time and effort in education, probably due to a lack of opportunities to enter occupations where such education may have brought rewards. This may later have contributed to slow educational progress, even compared to the black population who gained opportunities for formal education only much later.

Although path dependency is not a "story of inevitability",[16] in order to understand today's choices we need to follow their historic evolution. David[17] argues that historical precedent becomes important in shaping institutions,

13 T Mogues & MR Carter, "Social capital and the reproduction of economic inequality in polarized societies", *Journal of Economic Inequality*, 2004, 3(1), pp. 193-217.

14 Refer again to the earlier footnote regarding's Van der Ross' views on "the myth of coloured identity". RE Van der Ross, *Myths and attitudes…* (Cape Town, Tafelberg Publishers, 1979).

15 DC North, *Understanding the process of economic change* (Princeton, Princeton University Press, 2005).

16 DC North, *Institutions, institutional change and economic performance* (Cambridge, Cambridge University Press, 1990), p. 98.

17 P David, "Clio and the Economics of Qwerty", *American Economic Review*, 75, 1985, pp. 332-337.

simply because each new component added to the "institutional cluster" must be adapted to interlock with elements of the pre-existing structure. Lewis[18] observed that shared historical experiences and knowledge of a shared past provide "…one of the principal means by which groups of people justifiably may form a system of consistent mutual expectations when they are not readily able to arrive at a common course of action via direct discussion of the problem that is facing them". Individuals will end up in specific roles if their actions seem to be consistent with the actions of other individuals of that group. This creates path dependency, where choices and actions are interwoven over time.

If some remained poor while others have progressed out of poverty, then it should in principle be possible to trace this path of development back to its origins. In practice this can be quite difficult, though, as institutional structure is extremely complex. Institutions are determined endogenously within the social system and may be the direct cause of poverty traps, or their interaction with market failures may allow the survival of an inefficient "status quo".[19]

The work of Engermann and Sokoloff[20] indicates that initial differences in inequality across New World societies had profound and enduring effects on their economic development paths. They demonstrated that differences in the distribution of political power and levels of schooling and literacy that arose early in the history of the New World economies contributed to systematic differences in the way institutions evolved. The initial differences across the New World societies were primarily due to their respective factor endowments. For instance the colonies established in the Caribbean or Brazil, enjoyed climate and soil conditions that were well suited for growing crops that were most efficiently produced on large slave plantations. In contrast, small, family-sized farms were more efficient in the northern colonies of the North American mainland, where climatic conditions favoured mixed farming that exhibited limited economies of scale in production and the use of slaves.

18 D Lewis, *Conventions, a philosophical inquiry* (Cambridge, MA, Harvard University Press, 1969), p. 33.

19 C Azariadis, & J Stachurski, Poverty traps. In P Aghion & SN Durlauf (eds.), *Handbook of economic growth* (Amsterdam, Elsevier, 2005).

20 SL Engermann & KL Sokoloff, The persistence of poverty in the Americas – the role of institutions. In S Bowles, SN Durlauf & K Hoff (eds.), *Poverty traps* (New York, Princeton University Press, 2006).

Similarly, Azariadis and Stachurski[21] showed that if workers had skills that were not recognised by firms ("imperfectly observed skills") and were thus employed as unskilled workers, they would have little incentive to invest in education. Durlauf[22] expands on this idea by referring to the positive and negative effect role models may have. University (college) attendance rates among the current pool of high school graduates are likely to be higher in societies with a higher percentage of university graduates among adults. Later in this paper it will be shown that especially those coloured people that resided in rural parts of the Cape Colony in the late nineteenth century had almost no opportunity or incentive to invest in their own social capital. They were seen and treated by society as farm labourers. That may have been what set them off on a lower development trajectory than others amongst those who later collectively became known as the "coloured" community.

The late nineteenth century: Evidence from censuses

Censuses before Union in 1910 were undertaken separately in the four later provinces. In 1865, the first official census was conducted in the Cape Colony under British rule. Previously to that, the only censuses had been those of the VOC, effectively a census of the company. The Company published the "monsterrollen", detailing the Company employees and the "opgaaf" or tax lists of the free population, including free blacks. Further censuses in the British Cape Colony followed in 1875 and 1891. As the coloured population has traditionally resided in the Cape Province, a focus on this province and its modern day offshoots allows one to track much of the change in the position of this group over time (even in the 1996 census, for instance, 83.6% of the income earned by the coloured population in South Africa was in the Western, Eastern and Northern Cape).[23]

21 C Azariadis, & J Stachurski, Poverty traps. In: P Aghion & SN Durlauf (eds.), *Handbook of economic growth* (Amsterdam, Elsevier, 2005).

22 SN Durlauf, Groups, social influences and inequality. In S Bowles, SN Durlauf & K Hoff (eds.). *Poverty traps* (New York, Princeton University Press 2006).

23 The relative concentration of the coloured population in the Western Cape is due mainly to it being the area of original settlement of the Khoe, San, Europeans and Indonesians. The coloured population was both geographically and politically poorly placed to benefit from mineral discoveries and industrial expansion that later offered new avenues of employment in other parts of the country. The black population and white *bywoners* on farms in the interior provinces provided a larger reservoir of cheap labour to the mines and later the factories. SP Cilliers, *The Coloureds of South Africa – a factual survey* (Cape Town, Banier Publishers, 1963).

Early census data provide only limited hints of the relative economic position of members of the coloured group in the latter half of the nineteenth century. Comparing the census data to the current position allows an analysis of evolving trends for this population and in particular a focus on the central puzzle that drives this enquiry: What explains the slow social and economic upward mobility of a large part of the coloured population in recent decades, despite this group's relatively favourable position within the broader South African socio-political landscape? Our focus will be especially on the role of education, as this may well have offered an escape from poverty, but appeared to have failed to realise this for many.

From the very early days, racial identities at the Cape were quite fluid and racial definitions used probably reflected perceptions and status definitions as much as common genetic origin.[24] A person who was not white was generally indicated in early Cape documents as "slave", "Hottentot", "free black" or "free person of colour" (freed slaves). Amongst those already referred to in the census of 1891 as the coloured population there were three distinct groups, recorded separately in the census as "Malays", "Hottentot" and "Mixed and other".[25]

The very first school formed at the Cape in 1658 was intended for the religious instruction of slaves.[26] In 1663 the first school for the whole community was established with initially 12 white children, 4 slave children and 1 Khoe child.[27] In theory, schools were open to all and provided an area of racial intermixing, consistent with Heese's[28] view, based on intermarriage records, that colour prejudice in Cape Town in the eighteenth century was initially limited.[29] In 1830 two "infant schools" were established in Cape Town for educating children of "all classes", one for the "poor and slave population" and

24 The line between European and non-white was vaguely drawn and frequently crossed through intermarriage: "above all, money whitened". WM Freund, "Race in the social structure of South Africa, 1652-1836", *Social Scientist*, 18(1), 1976, p. 56.

25 Simkins and Van Heyningen remark that what seemed to be the common factor in the term "Malay" was that Islam was the religion (although the census shows some exceptions to that). C Simkins & E van Heyningen, "Fertility, Mortality, and Migration in the Cape Colony, 1891-1904", *International Journal of African Historical Studies*, 1989, 22(1), pp. 79-111.

26 C Ziervogel, *Brown South Africa* (Cape Town, Maskew Miller Ltd, Circa 1938), pp. 62-63; R Shell, *Children of bondage: A social history of slave society at the Cape of Good Hope, 1652-1834* (Hanover, University Press of New England/Johannesburg, Witwatersrand University Press, 1994).

27 E Theron & JB Du Toit, *Kortbegrip van die Theron-verslag* (Cape Town, Tafelberg, 1977), p. 26.

28 JA Heese, *Die herkoms van die Afrikaner, 1657-1867* (Kaapstad, Balkema, 1971).

29 Heese's research (1971), using parish registers and other early documents in an attempt to investigate the origin of Afrikaners, shows that intermarriage became more frequent during the eighteenth century, mainly because of the unfavourable male-female ratio in the population of European origin. JA Heese, *Die herkoms van die Afrikaner, 1657-1867*.

the other for "those in better circumstances". The rules for both schools were identical, except that those in the "Lower School" had to adhere to an extra requirement, namely that "the children are to be sent clean in their persons and clothes". Initially, considerable numbers of coloured children attended these government schools, but as children of the poor found it difficult to maintain cleanliness, decent clothing and regular attendance, it is reported that many fell back on the less demanding mission schools.[30] This resulted in state-aided schools serving chiefly white children, with coloured children being almost completely excluded. By 1860 there were 19 government schools, 87 state-aided mission schools and 123 mission schools conducted by missionaries without government support.

As a consequence, differential patterns of educational exposure developed. Image 1 shows that 90% of the white adult population (15 years and above) were able to read and write by 1875; amongst the black population in the Cape Colony, this was only 3.5%, and amongst coloureds 15.6%. There was an interesting differentiation within the coloured population: amongst those classified "Mixed and other", almost 24% were able to read and write, as compared to less than 10% amongst those classified "Hottentot". This difference may to some extent have been endogenous (i.e. the direction of causality is uncertain), as economic and social status were also associated with certain identities, whether someone could read and write may have determined how they were classified.

Image 1: Population 15 years and above in the Cape Colony able to read and write, 1875[31]

	White	**"Malay"**	**"Hotten-tot"**	**"Mixed & Other"**	**Total "coloured"**	**Total Black**	**All Races**
Able to read and write:							
Male	63 283	256	2657	4 713	7 626	3 097	74 006
	89.0%	8.5%	9.0%	20.6%	13.8%	3.9%	35.8%
Female	55 675	355	2993	6 054	9 402	2 296	67 373
	91.3%	10.5%	10.9%	26.6%	17.5%	3.0%	36.0%
Total	**118 958**	611	5650	10 767	**17 028**	**5 393**	**141 379**
	90.1%	9.5%	9.9%	23.6%	**15.6%**	**3.5%**	**35.5%**

Source: Own calculations based on 1875 census.

30 C Ziervogel, *Brown South Africa* (Cape Town, Maskew Miller Ltd, Circa 1938), pp. 67-68.

31 The census distinguishes "Fingo" from "Bechuana & other Blacks".

The 1891 census distinguished between urban and rural areas, but the ability to read and write was only expressed relative for the "whole" population, thus these numbers are not strictly comparable to those of 1875 which only considered adults (15 years and above). Insofar as some groups contained more children, their relative adult literacy rates may be under-estimated compared to other groups. Nevertheless, this census makes clear that literacy was far greater in urban areas: 20% versus 10.5% for coloureds, if full literacy is considered. However, what this aggregate figure hides is that the differential population composition by location is what drives this aggregate literacy differential: Differences in the percentages fully literate vary less within groups, but the overall difference is much larger, primarily caused by the fact that the lowly literate black population was overwhelmingly rural (95%).

Furthermore the "Hottentot" population was by far the most rural part of the coloured population (83% rural) and their literacy levels much lower than those of the rest of this population. Even the small urban black population had higher literacy levels than they did. Again, it would not be surprising if endogeneity (reverse causality, in this case) were partly to blame for this: higher status coloured people in urban areas, able to read and write, may have been more likely to be recorded as "Mixed and other coloured", and less likely as "Hottentot".

Image 2: Population (all ages) in the Cape Colony able to read and write by urban and rural location, 1891

	% urban	Urban		Rural		Read and write: Simple difference urban minus rural
		Read and write	Read only	Read and write	Read only	
White	41.2%	75.3%	3.2%	62.8%	2.3%	12.5%
Malay	94.6%	12.4%	3.9%	8.6%	4.3%	3.5%
Hottentot	16.5%	8.8%	5.7%	8.7%	8.5%	0.1%
Mixed and Other	39.5%	29.5%	9.7%	10.6%	5.5%	18.9%
Total Coloured	38.3%	19.9%	6.7%	10.5%	7.8%	9.4%
Black	5.4%	14.9%	5.1%	3.6%	1.4%	11.3%
All Races	21.0%	48.4%	5.5%	15.7%	2.4%	32.7%

Source: Own calculations based on 1891 census.

Image 3: School attendance and occupation of children 0-14 in the Cape Colony by race classification, 1891[32]

	White	"Malay"	"Hottentot"	"Mixed and Other"	Total "Coloured"	Total Black	All Races
Scholars - Government Aided Schools	**22 992**	1 290	618	18 821	**20 729**	14 838	**58 559**
	14.5%	24.0%	3.4%	17.2%	**15.6%**	4.0%	**8.9%**
Scholars - Private Schools	**18 582**	946	91	2 696	**3 733**	1 111	**23 426**
	11.7%	17.6%	0.5%	2.5%	**2.8%**	0.3%	**3.6%**
Receiving instruction at home or at Sunday School only, and Scholar unspecified	**22 222**	238	234	3 484	**3 956**	1 640	**27 818**
	14.0%	4.4%	1.3%	3.2%	**3.0%**	0.4%	**4.2%**
Engaged or assisting in various occupations	**12 932**	479	4 186	17 558	**22 223**	137 012	**172 167**
	8.1%	8.9%	22.9%	16.0%	**16.7%**	37.4%	**26.1%**
No occupation	**82 373**	2 428	13 145	67 080	**82 653**	212 091	**377 117**
	51.8%	45.1%	71.9%	61.2%	**62.0%**	57.8%	**57.2%**
Total	**159 101**	**5 381**	**18 274**	**109 639**	**133 294**	**366 692**	**659 087**
	100%	**100%**	**100%**	**100%**	**100%**	**100%**	**100%**

Source: Own calculations based on 1891 census.

Image 3 below shows the school and occupational status of children under 15 as recorded in the 1891 census of the Cape Colony, including the territories incorporated into it in the Eastern Cape as well as Griqualand West. As is to be expected, many children in this age group were too young for school or work; most of these were probably recorded as "No occupation", but this category also included some who were indeed of school age. For present purposes, the main interest is that 18.4% of those who would later come to be classified as the coloured population were engaged in formal school activities. Only 2% of these were in private schools, mainly amongst the Malay population; religious

32 The census distinguishes "Fingo" from "Bechuana & other Blacks".

schools probably played a fair role in this regard and may have contributed to the relatively low literacy amongst this largely urban sub-group. The part of this population classified as "Hottentot" in the 1891 census was by far the least urbanised,[33] and also the least likely to be in any type of formal schools (only 3.9% of this age group were in formal schools, even marginally less than the 4.3% of black children.) A large proportion of other children, probably excluding only the very young, were "engaged or assisting in other occupations" – this was most common amongst blacks (37%), followed by "Hottentot" children (23%).

In early colonial times, ancestors of the present coloured population managed to rise in the social and economic sphere. For instance, "Malays" once formed a substantial part of the skilled working class in the Cape Colony. But in general, the coloured population has not urbanised to the same degree as whites. While modernisation of agricultural practices in many parts of the country improved production per worker, this applied less to agricultural production in the main area of settlement of the coloured population, namely the winter rainfall area of the Western Cape. Fruit, wine, vegetables wheat, dairy and mixed farming, which were predominant in the Cape Colony, were generally labour intensive.[34] The coloured population essentially remained a community of wage earners, without land of their own, and without a stake in urban means of production except as low-skilled workers.

Image 4 looks at occupation in 1875. It shows a concentration of "Hottentot" men (90%) and women (95%) in agriculture and domestic service. In contrast, other coloured people were more often found in professional, commercial and especially industrial occupations. Amongst whites, professional and commercial occupations were relatively larger than amongst other groups, confirming that these were the high status occupations.

33 Urbanisation was only 16.5% in this group, as against 39.5% for those classified as "mixed and other", and 94.6% for the small Malay population. This compared to 42.1% urbanisation amongst whites, 5.4% amongst blacks and only 21.0% amongst the whole population (due to the preponderance of black numbers).

34 SP Cilliers, *The Coloureds of South Africa – a factual survey* (Cape Town, Banier Publishers, 1963).

Image 4: Occupation ("class") in Cape Colony Census 1875[35]

	Professional	Commercial	Industrial	Agricultural	Domestic
Males					
White	9.5%	15.3%	17.4%	55.0%	2.8%
Malay	1.2%	10.4%	61.2%	16.3%	10.9%
Hottentot	0.2%	3.4%	6.4%	80.1%	9.9%
Mixed and Other	1.3%	6.0%	17.7%	62.5%	12.5%
Coloured	0.7%	4.8%	13.5%	70.1%	11.0%
Black	0.7%	2.0%	2.5%	91.7%	3.2%
Total	3.8%	7.4%	10.6%	73.2%	5.0%
Females					
White	2.1%	0.6%	3.2%	54.0%	40.0%
Malay	0.5%	0.2%	28.4%	0.3%	70.5%
Hottentot	0.4%	0.0%	3.7%	10.8%	85.2%
Mixed and Other	0.5%	0.1%	9.4%	7.3%	82.7%
Coloured	0.4%	0.0%	7.5%	8.7%	83.3%
Black	0.0%	0.0%	1.1%	73.6%	25.2%
Total	0.8%	0.2%	3.5%	49.6%	45.9%
Total males plus females					
White	6.2%	8.8%	11.1%	54.5%	19.2%
Malay	0.8%	4.8%	43.2%	7.5%	43.7%
Hottentot	0.3%	1.7%	5.1%	46.4%	46.4%
Mixed and Other	0.9%	2.9%	13.4%	33.8%	49.1%
Coloured	0.6%	2.4%	10.5%	39.2%	47.4%
Black	0.4%	1.0%	1.8%	82.7%	14.1%
Total	2.3%	3.9%	7.2%	61.9%	24.6%

Source: Own calculations based on 1875 census.

Livestock assets, as summarised in Image 5, offer an illuminating perspective on the situation in rural areas. The white rural population was more asset-rich than both their coloured and black counterparts: Their holdings per 1000 population of cattle, sheep and goats were respectively 9 times, 20 times and 10 times as large as that of the comparable coloured population, whereas the latter had fewer cattle, similar numbers of sheep, and more goats than the

35 For an extended version, see Appendix 1.

black population.

Image 5: Livestock holdings per 1000 rural population by race group in the Cape Colony, 1891

	Whites	**Coloureds**	**Blacks**
Cattle per 1000 rural population	4 962	536	1 209
Sheep per 1000 rural population	63 283	2 893	2 686
Goats per 1000 rural population	22 755	2 287	1 446

Source: Own calculations based on 1891 census.

There thus emerges a picture from 19th century Cape Colony censuses of a rural coloured population that was poorly endowed with the livestock assets required for making a livelihood from agriculture in a territory where livestock was the major form of agriculture. Add to that a low exposure to schooling and some inkling of the roots of current poverty in the coloured population become evident.

More recent statistics: The mid-1900s

While the roots of coloured poverty might have been rural, migration during the course of the 20th century led to much of the former rural population becoming urban. Whereas only 46% of the coloured population resided in urban areas in 1921, this proportion had expanded to 65% by 1951 and to 83% by 1996. Yet many of the problems and pathologies that had their origin in rural areas were simply transferred to their new urban homes. One of these was low levels of education.

In the middle of the twentieth century, a far larger proportion of the coloured school-going population was in primary schools than among whites, and particularly in Sub A and Sub B (Grades 1 and 2). Only a small fraction (5% in the late 1930s, 9% in the late 1950s) were at secondary school level, compared to a quarter or more of the white school going population.

Image 6: School going coloured and white children by level of education, 1935-1939 and 1955-1958

	White				Coloured			
	Sub A & B (Grades 1 & 2)	**St 1-5 (Grades 3-7)**	**St 6-10 (Grades 8-12)**	**Total**	**Sub A & B (Grades 1 & 2)**	**St 1-5 (Grades 3-7)**	**St 6-10 (Grades 8-12)**	**Total**
1935-39	19%	55%	25%	100%	41%	48%	5%	100%
1955-58	21%	49%	28%	100%	36%	55%	9%	100%

Source: Union statistics.

Image 6 only captures children who attended school, but by the 1970 census, 23.5 percent of all coloureds who were 6 years and older had no education, compared to 2.3 percent of whites. This was what prompted the Theron Commission to support the introduction of compulsory school attendance.[36] The Commission also recommended a thorough investigation into the high percentage of coloured children that left school at an early age. As an example, the Commission mentioned that a total of 85 089 coloured children were in grade 1 (sub A) in 1964, whereas in 1974 only 5 777 coloured children were in grade 11 (standard 9).[37] The Commission attributed this to a bad socio-economic environment, children who needed to leave school earlier to enter the job market or who had no motivation to study.

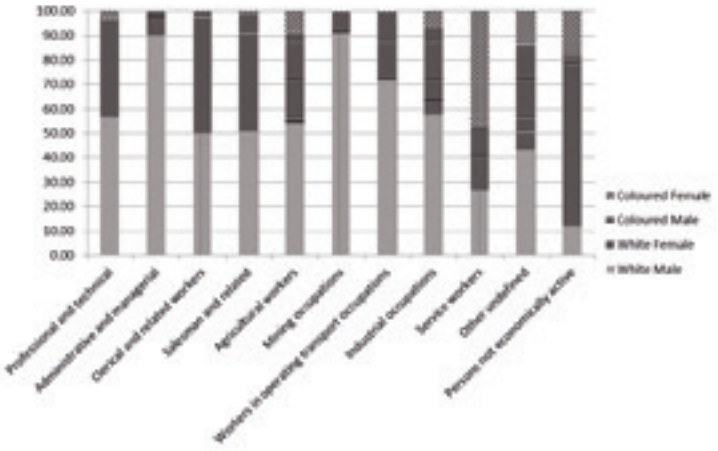
The lack of formal schooling plays out in the labour market. In 1951, white males were mainly in professional and technical, administrative, managerial and clerical jobs, while coloured males were dominantly in agriculture and industrial occupations. Many coloured females still only found employment as domestic servants. The position of coloureds in the mid-20th century was therefore much the same as in the nineteenth century, i.e. with a strong presence in the primary sector and in low status occupations. With industrialisation and the mechanisation of agriculture, the coloured population had extended their presence in industry, but had made almost no progress into professional

36 E Theron & JB Du Toit, *Kortbegrip van die Theron-verslag* (Cape Town, Tafelberg, 1977).

37 The issue of continuation from Grade 1 again raised its head in the past decade, when the Ministerial Committee on Learner Retention was instituted to investigate what was perceived to be high dropout rates. It turned out that these rates based on Grade 1 as reference value were exaggerated, though, as there is often a large deal of early school entry followed by repetition among under-age children. Thus, Grade 1 numbers are a poor measure of cohort size.

and managerial positions.

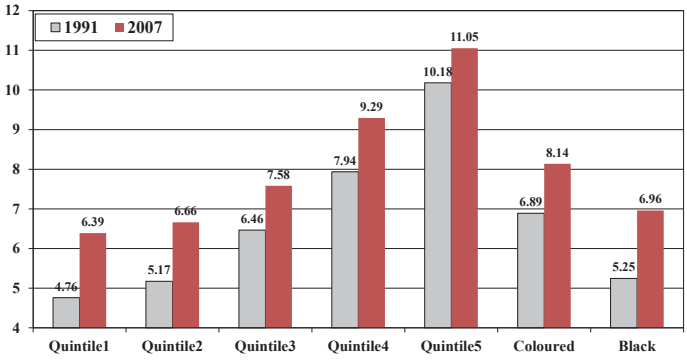
Image 7: Occupation distribution in 1951 between white and coloured workers



Source: Union statistics.

Female headship, a crude proxy for family structure and broken families and often considered a factor that contributes to poverty traps over generations, is today still quite common in the poorest three quintile of coloured households (around 47% in Quintile 1 and 38% in Quintiles 2 and 3), yet high even in Quintile 4 (30%) and Quintile 5 (24%). (Own calculations from Community Survey 2007.) Poorly educated household heads are clearly more common in the bottom two quintiles (Image 8), despite considerable improvement between 1991 and 2007.

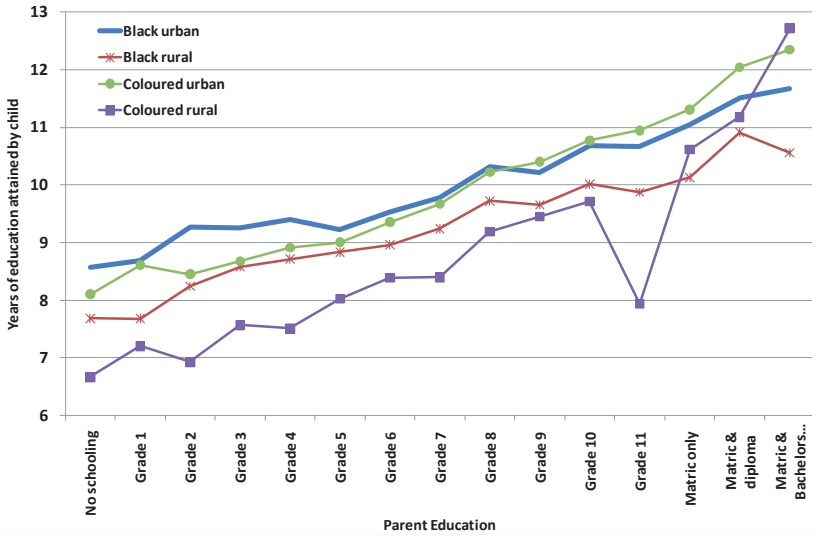
Image 8: Mean years of educational attainment of Coloured household heads by quintile



Source: Own calculations from 1991 census and 2007 community survey.

Those coloured people trapped in rural locations in the 19th century were particularly vulnerable to poverty and least likely to escape. An indication that this problem still persists can be found in Image 9, which shows the mean years of education completed by children 21-25 co-resident in the household of their parents in the 1996 census by highest parent education. Of the four groups shown here, children of black urban parents generally did best in converting parent education into own educational attainment. The group performing worst was coloured rural children, except in the limited number of cases where parents had high levels of education; in such cases, they even outperformed their urban counterparts.[38] But the more general pattern for the rural coloured population, of poor conversion of parent education into child's education, could be taken as evidence that children of poorly educated rural coloured parents were least likely of all South African groups to attain high levels of education.

Image 9: Mean years of educational attainment of children 21-25 years co-resident with their parents by race, location and highest level of education reached by either parent, 1996



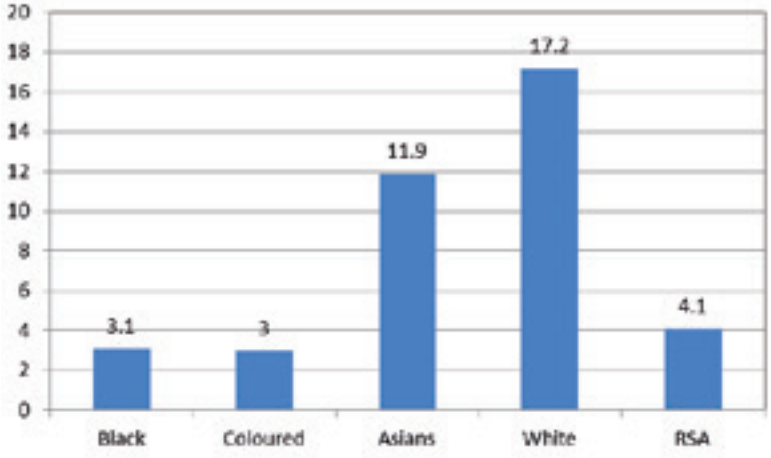
Source: Own calculations based on 1996 census.

Image 10 shows a surprising under-representation of coloured persons at universities, lower than all other population groups. Most (63.9%) of the 678 543 students enrolled at higher educational institutions during 2010 were

38 This may be due to a selection effect: Such highly educated parents in rural communities may be even better motivated or trained their urban counterparts. Further support that this may be the factor responsible for this pattern is provided by the fact that a similar pattern holds for the black population.

black African, even though this group was still underrepresented. Only 3.1% of blacks aged 18 to 29 years and an even lower 3.0% of coloureds were studying, as opposed to 11.9% amongst Indians/Asians and 17.2% among the white population.

Image 10: University enrolment as percentage of population aged 18-29 years, 2010

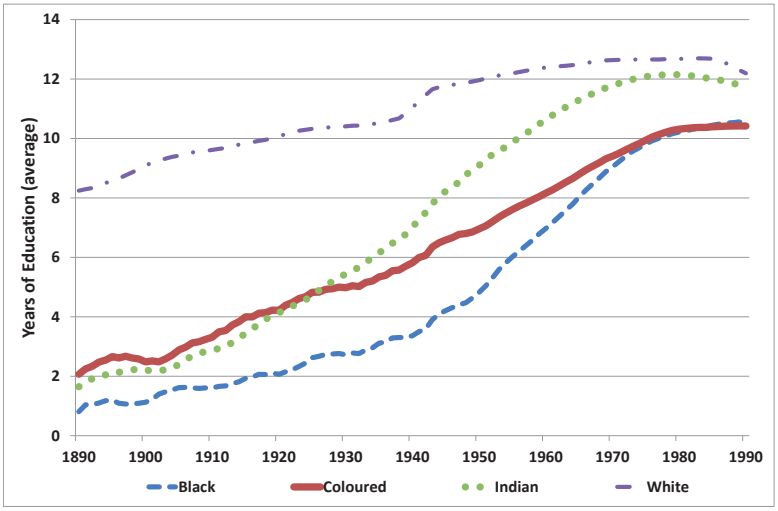


Source: General Household Survey 2010.

Coloured educational patterns by birth cohort

Image 11 shows the mean years of educational attainment by birth year and population group, derived from the census of 1970 in the case of birth cohorts from 1890 to 1940, and from Census 2001 for subsequent birth cohorts. Naturally the survivors at the time of the censuses would not have been a random sample from the original birth cohort, as mortality is selective, inter alia by socio-economic and therefore income group. Thus these images only give an upwardly-biased approximation of the trajectory of education of the different race groups. Even so one can say with certainty that education levels of the coloured population considerably exceeded those of the black population for almost all of these nine decades. It is only very recently that the mean education levels of the black population have started to approach that of the coloured population – notwithstanding the known weaker quality of black education. Thus, the puzzle remains: Why is poverty so high amongst the coloured population, despite their historical advantage in education?

Image 11: Mean educational attainment by birth cohort and population group, using combined 1970, 2001 and 2011 census data



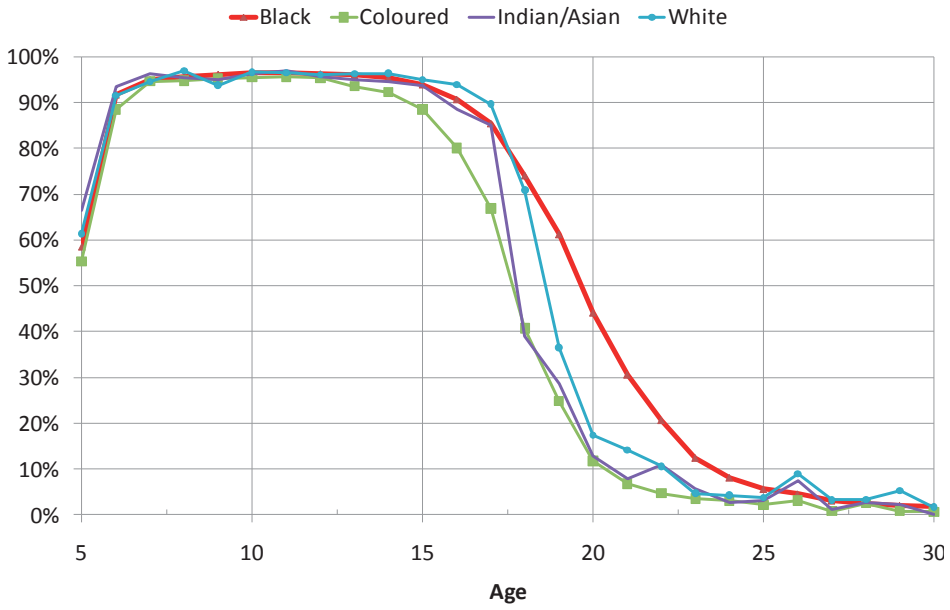
Source: 1890-1940, derived from Census 1970; for 1941-1950, derived from Census 2001, for 1951-1990, derived from Census 2011. Data smoothed.

A similar analysis extended to rural versus urban location at the time of the censuses used shows that there have historically been great differences between the education levels of urban and rural members of the coloured population group. Here it should be remembered that the source of the data is likely to lead to some bias: Rural-urban migration means that many of those presently in urban areas would have been educated in rural areas, so these are only broadly reflective of urban birth cohorts versus rural birth cohorts. Nevertheless, the data are indicative of broad trends within each of these subgroups. This persistent urban-rural difference is a historical feature of the situation in the coloured population, in contrast to the black population, who have experienced a smaller and less persistent urban-rural gap that has tended to decline more in recent years. This difference could either mean that the educational rural-urban gap is larger amongst coloured people, or that rural coloured people have been less inclined to move to urban areas.

A puzzling trend amongst the coloured population has been the surprisingly early exit from school. Image 12 illustrates this, showing the school enrolment rate by age and population group for those who have not yet completed matric, based on the 2007 Community Survey. What is apparent from this is the trend towards long continuation in schools amongst the black population,

well beyond age 20. This trend was moderated by restrictions on over-age pupils introduced in the late 1990s. Compared to the black population, a large part of the coloured population still exits from school early – and unlike for Indians and whites, it is largely before they have completed matric.

Image 12: Proportion of population (excluding those who have completed matric) at school by age and population group, 2007



Source: Own calculations from Community Survey 2007.

What can explain this early exit from school amongst coloured children? Image 13 contains progression rates from Gr.10 to Matric by population group for the cohorts born after 1920 and still alive and captured in the 2007 Community Survey.[39] From this it is apparent that the progression rates of the coloured population, having been remarkably high in the cohorts born before 1920, fell sharply thereafter and were even lower than those of the poorer, less urban black population for the cohorts born between 1920 and 1964, and were at par with that of the black population for the 1965-69 birth cohort. Considering the far greater earlier exposure to education of much of the coloured population, their far greater exposure to urban life,

39 Here again, as the population still alive and sampled in the 2007 Community Survey is the source of this information, the results are affected by differential mortality across population and educational groups, especially for older cohorts, However, it is likely that the patterns shown here broadly reflect the patterns of educational progression that occurred in those birth cohorts when they were of school-going age.

their greater involvement in modern economic processes and indeed their greater propensity to attend school and progress to secondary education, this is a puzzle.

Image 13: Progression rates from Grade 10 to matric by birth cohort category and population group, as calculated from Community Survey 2007

Birth cohort	Black African	Coloured	Indian/Asian	White
1880-1919	61%	76%	73%	78%
1920-39	53%	46%	66%	66%
1940-49	49%	40%	53%	67%
1950-59	48%	42%	58%	71%
1960-64	48%	43%	61%	75%
1965-69	49%	50%	68%	76%
1970-74	50%	51%	70%	76%
1975-79	48%	55%	73%	76%
1980-84	46%	54%	74%	75%
1985-89	43%	54%	76%	78%

Note: The educational patterns of those observed in the Community Survey were assumed to reflect the underlying patterns that applied to the respective birth cohorts. No adjustment was made for the possible effect of differential mortality and migration by education and population groups.

Source: Own calculations from Community Survey 2007.

Regression analysis (Image 13) confirms that this results not only from gender or birth province factors, or that it is not associated with present location (municipality) that may itself reflect earlier migration decisions. Even when controlling for these factors, the regression coefficients relating to different coloured birth cohort categories remain quite stable, i.e. whether one considers province of birth or even current municipality does not have much influence on the likelihood of having completed matric. In particular, considering the patterns applying to other groups when controlling for gender and age, and even birth province and present place of residents, "coloured people born between 1940 and 1964 were significantly less likely to continue on to matric" – a pattern not observed before that, or since. Considering that coloured schools were better resourced than those of blacks, and that they were more likely to have completed primary education, it is an enigma that the flow to higher levels of education was so small, and even today is not much greater than amongst the black population, though the latter are far more likely to be in weak schools and therefore to fail to clear the hurdle of

the matric exam.

Image 14: Progression to matric: Probit regressions[40] of the likelihood of having completing matric, conditional upon having already completed Grade 10, based on Community Survey 2007 (age>20)

	No other controls	**Controlling for province of birth**	**Controlling for province of birth & current municipality**
Indian	0.191**	0.203	0.196
White	0.255**	0.261	0.261
Female	-0.03**	-0.017	-0.017
Age	0.004**	0.005	0.005
Age-squared	-.00004**	-.00007	-.00007
Coloured birth cohorts:			
1880-1919	0.336**	0.322	0.318
1920-39	0.026**	0.017	0.009
1940-49	-0.063**	-0.049	-0.051
1950-59	-0.056**	-0.040	-0.042
1960-64	-0.056**	-0.041	-0.042
1965-69	0.018**	0.030	0.028
1970-74	0.024**	0.033	0.032
1975-79	0.065**	0.074	0.074
1980-84	0.061**	0.075	0.074
1985-1987	0.066**	0.083**	0.083**
Other controls	-	Province of birth	Province of birth + municipality currently residing in

Note: Marginal effects shown; all coefficients are significant at the 1% level

Source: Own calculations from Community Survey 2007.

Hofmeyr[41] argues, based on an analysis of the Cape Area Panel Study (CAPS), that the greater propensity of black children in the Western Cape to continue in school till later ages is a result of their weaker position in the labour market of metropolitan Cape Town. However, this offers no

40 In a probit regression the outcome that is estimated is a probability, i.e. it lies between 0 and 1. In this case, it is the probability of having completed matric.

41 C Hofmeyr, *How does the process of educational attainment differ between Africans and Coloureds in the Western Cape?* (Master's dissertation, University of Cape Town, 2011).

explanation of why dropping out of school after grade 10 occurs so frequently amongst the coloured population: If the probability of finding a job was the issue, one would have expected that the 55% unemployment rate of coloured youths below 20 years of age and without a matric in the Western Cape would have made continuation to higher education levels more attractive. In terms of the returns to matric, these are not lower for the coloured population than for others. Other explanations need to be sought for this phenomenon, and especially for its historical peak in the birth cohorts from 1940 to 1964. There is still much to understand here.

Conclusion

The paper sets out to illuminate poverty of the coloured population in South Africa. It specifically ponders the question why a large part of the group remains in a poverty trap. The historic evidence presented shows those today classified as "coloured" set out as a rural proletariat, owning few agricultural assets, in a country in which urban-rural divisions became quite strong. With little prospect of securing occupation in the formal, mainly urban economy, they had little incentive to invest time and effort in education and left formal schooling fairly young and failed to progress to higher levels of education.

With little education they could not readily be absorbed into the modern economy and they found it difficult to make inroads into the secondary and tertiary sectors of the economy. In the 1950s, for example, coloured males were dominantly in agriculture and industrial occupations. The position of coloureds in the mid-20th century was still much the same as in the nineteenth century, i.e. with a strong presence in the primary sector and in low status occupations, with almost no progress into professional and managerial positions, despite the fact that rural-urban migration grew rapidly in the 9th century.

These patterns of behaviour have become established in a way which perhaps currently cannot fully be explained simply as rational and unconstrained utility maximisation. With coloured schools historically better resourced than those of blacks, it is an enigma that the flow to higher levels of education is even today not much greater than amongst the black population.

The low educational endowment of parts of the coloured population puts

them at a disadvantage in an economy that is now dominantly modern and urban. Logic would dictate greater investment in the education of their children, but patterns of behaviour established over centuries may still be dominant and to the detriment of the coloured population.

Appendix 1

Census 1875	Profes-sional	Commer-cial	Industrial	Agricultural	Domestic	Total specified
Males						
White	5 880	9 506	10 773	34 069	1 732	**61 960**
Malay	27	230	1 348	358	240	**2 203**
Hottentot	53	847	1 610	20 022	2 469	**25 001**
Mixed and Other	219	1 052	3 090	10 905	2 181	**17 447**
Coloured	299	2 129	6 048	31 285	4 890	**44 651**
Black	476	1 357	1 714	63 246	2 184	**68 977**
Total	6 655	12 992	18 535	128 600	8 806	**175 588**
White/Tot	88.4%	73.2%	58.1%	26.5%	19.7%	**35.3%**
Coloured/ Tot	4.5%	16.4%	32.6%	24.3%	55.5%	**25.4%**
Malay/ Coloured	9.0%	10.8%	22.3%	1.1%	4.9%	**4.9%**
Hottentot/ Coloured	17.7%	39.8%	26.6%	64.0%	50.5%	**56.0%**
Mixed & other/ Coloured	73.2%	49.4%	51.1%	34.9%	44.6%	**39.1%**
Females						
White	1 042	303	1 584	26 389	19 559	**48 877**
Malay	14	6	765	8	1 899	**2 692**
Hottentot	88	0	866	2 537	20 100	**23 591**
Mixed and Other	96	16	1 776	1 387	15 694	**18 969**
Coloured	198	22	3 407	3 932	37 693	**45 252**
Black	21	0	753	50 215	17 208	**68 197**

Total	1 261	325	5 744	80 536	74 460	**162 326**
White/Tot	82.6%	93.2%	27.6%	32.8%	26.3%	**30.1%**
Coloured/ Tot	15.7%	6.8%	59.3%	4.9%	50.6%	**27.9%**
Malay/ Coloured	7.1%	27.3%	22.5%	0.2%	5.0%	**5.9%**
Hottentot/ Coloured	44.4%	0.0%	25.4%	64.5%	53.3%	**52.1%**
Mixed & other/ Coloured	48.5%	72.7%	52.1%	35.3%	41.6%	**41.9%**
Total males plus females						
White	6 922	9 809	12 357	60 458	21 291	**110 837**
Malay	41	236	2 113	366	2 139	**4 895**
Hottentot	141	847	2 476	22 559	22 569	**48 592**
Mixed and Other	315	1 068	4 866	12 292	17 875	**36 416**
Coloured	497	2 151	9 455	35 217	42 583	**89 903**
Black	497	1 357	2 467	113 461	19 392	**137 174**
Total	7 916	13 317	24 279	209 136	83 266	**337 914**
White/Tot	87.4%	73.7%	50.9%	28.9%	25.6%	**32.8%**
Coloured/ Tot	6.3%	16.2%	38.9%	16.8%	51.1%	**26.6%**
Malay/ Coloured	8.2%	11.0%	22.3%	1.0%	5.0%	**5.4%**
Hottentot/ Coloured	28.4%	39.4%	26.2%	64.1%	53.0%	**54.0%**
Mixed & other/ Coloured	63.4%	49.7%	51.5%	34.9%	42.0%	**40.5%**