

THE COST OF APARTHEID

Editorial Note: We are grateful to Professor Michael Savage for allowing us to quote briefly from his Inaugural Lecture at the University of Cape Town and to publish in full the tables of estimates of various apartheid costs which were an appendix to that lecture. For the first time somebody has really tried to estimate what apartheid **does** cost – and the impact of that estimate, as revealed in the Tables is, in our view, quite dramatic.)

Discussing the problem of costing apartheid Professor Savage had this to say in his Lecture.

“Any examination of the financial cost of apartheid is confronted with many difficulties. Prominent among these is the problem of identifying the full variety of its costs and distinguishing between them. Apartheid structures permeate the total society and an indication of the extent to which this is so can be made by identifying seven areas of its cost.

First, there are the *direct costs* involved in implementing and maintaining apartheid programmes. These costs include those of supporting 10 “homeland” governments, of providing duplicated services in areas such as health and education, of carrying out black population removals from “white” areas, of implementing Group Areas legislation.

Second, there are *indirect costs* involved in implementing apartheid, which again are enormously varied. These include capital expenditures on buildings used in carrying out the policy, on transport systems needed to accord with territorial segregation, and expenditure on the vehicles, machinery and communications used in implementing the system.

Third, there are the *enforcement costs* involved in applying and policing apartheid. Police, courts, magistrates, prisons, officials and the Defence Force are all involved in greater and lesser degrees in enforcing the policy of apartheid. In addition there are the costs paid by those on whom apartheid is enforced in, for example, having to

spend time in courts and prisons because of apartheid legislation.

Fourth, there are *lost opportunity costs* arising from apartheid. These are substantial and involve the cost of lost investment to South Africa and consequent lower rates of economic growth; the cost of artificial limitations on the use of economic and human resources that result in the loss of potential skills and in foregone economic growth.

Fifth, there are the *punitive costs* to South Africa of apartheid flowing from the application of embargoes and sanctions. These directly involve the loss of trade but also involve premiums that South Africa has to pay to obtain key materials, such as oil, and the costs of stockpiling these materials and attempting to become self-sufficient in the production of them.

Sixth, and most importantly, there are the *human costs* of the apartheid system. These are enormous, involving the suffering and brutalization of life experienced by large numbers of South Africans as a direct result of apartheid policies. Some of these costs can be directly seen in the prisons, townships and rural areas of South Africa but most are to be viewed within the daily fabric of South African life.

Seventh, there are the *regional costs* of the apartheid policy, paid by South Africa’s neighbours in terms of increased military expenditures due to apartheid policies, direct war damage, lost exports and lost economic growth.”

So the Tables which follow represent only **part** of the costs of the policy. □

TABLES

TABLE 1: ESTIMATED EXPENDITURES FROM THE STATE REVENUE ACCOUNT 1985/6 ON ITEMS IN THE IMPLEMENTATION OF APARTHEID PROGRAMME

	Estimated % Budget allocation on apartheid			Expenditure in R'000s			
	L	M	H	Low Estimate	Medium Estimate	High Estimate	
VOTE 1: STATE PRESIDENT							
1-1	Activities of the President's Council	100	100	100	5 271	5 271	5 271
1-9	SWA Authority Service	100	100	100	1 180	1 180	1 180
VOTE 2: PARLIAMENT							
2-1	Administration of Parliament	15	20	33	1 363	1 817	3 029
2-1	Salaries and Allowances, Members of Parliament	15	20	33	1 805	2 407	4 012
2-5	Facilities for Members of Parliament	15	20	33	1 561	2 082	3 469
VOTE 3: TRANSPORT							
3-9	Contribution to the Account for Black, Coloured and Indian Transport Services (subsidization of fares of commuters from Black Areas in White areas 14-23)	15	20	33	31 000	42 000	70 000
VOTE 4: CONSTITUTIONAL DEVELOPMENT AND PLANNING							
4-1	Administration	30	40	50	1 958	2 610	3 263
	Constitutional Development	100	100	100	999	999	999
	Planning	10	15	25	826	1 238	2 064
	Statistical Services	10	15	25	3 618	5 428	9 047
	Provincial Subsidies	5	10	15	261 568	523 136	784 704
	Industrial Area Development and Control	30	40	50	14 193	18 924	23 655
	Supporting and Associated Services	5	5	10	979	79	1 959
VOTE 5: FOREIGN AFFAIRS							
5-9	Manpower Provision (to Foreign Governments)	10	20	25	3 621	7 242	9 052
	Budgetary Aid: TBVC Countries	10	20	25	63 613	127 225	159 032
	Project Aid (Loan Fund)	10	20	25	7 500	15 000	18 750
	Technical Aid						
	Incentive Scheme for Industries	30	40	50	10 800	14 400	18 000
	Action Programme Job Creation	10	20	25	2 200	4 400	5 500
	Technical and Other Assistance	10	20	25	800	1 600	2 000
	Flour subsidy	10	20	25	2 300	4 600	5 750
VOTE 6: HOME AFFAIRS							
6-6	Population Registration	10	20	40	1 845	3 690	7 381
	Deportations and Removals	5	10	15	96	191	287
	Publication Control	40	50	60	392	490	588
VOTE 7: COMMISSION FOR ADMINISTRATION							
	(Public Servants)	10	15	20	6 370	9 555	12 740
VOTE 8: IMPROVEMENT OF CONDITIONS OF SERVICE							
	(Public Servants)	10	15	20	23 500	35 250	47 000
VOTE 10: POLICE							
	Total	5	10	20	47 735	95 471	190 942
VOTE 11: PUBLIC WORKS AND LAND AFFAIRS							
11-17	Acquisition of land: Area evaluation for purposes of removing non-White inhabitants from certain areas for resettlement	100	100	100	5 888	5 888	5 888
11-22	Construction of Buildings and Structures - Defence, Police Accommodation, Periodical Courts, Prisons, Judicial Buildings	5	10	15	11 467	22 934	34 401
VOTE 12: HEALTH AND WELFARE							
		5	10	15	66 821	133 642	200 462

	Estimated % Budget allocation on apartheid			Expenditure in R'000s		
	L	M	H	Low Estimate	Medium Estimate	High Estimate
VOTE 13: ADMINISTRATION – HOUSE OF ASSEMBLY						
13-1	Transfer to Revenue A/c for White affairs			38 785	116 355	193 924
VOTE 14: COOPERATION AND DEVELOPMENT						
14-3	Commission of Cooperation and Development			50 60 70	64 77 90	
	Commissioners General Management			100 100 100	314 314	314
	10	20	30	4 173	8 345	12 518
14-7	Community Regulation and Physical Planning					
	Black Manpower			30 40 50	731 975	1 218
	Residential Control			100 100 100	2 430 2 430	2 430
	Repatriation			100 100 100	4 688 4 688	4 688
	Community Regulation			30 40 50	822 1 096	1 370
	Urbanisation and Housing			10 20 30	82 164	246
14-10	Constitutional Development					
	Black Local Authorities Administration			15 20 25	139 185	231
	Black Communities Development and Revolving Fund			10 20 25	1 500 3 000	3 750
	Development Boards and Community Councils Compensation to development boards and community councils i.r.o. additional services executed on behalf of the State			10 20 30	7 500 15 000	22 500
14-17	Development of Black Areas Toward Self-Determination					
	Consolidation of Black Areas Administration			100 100 100	3 000 3 000	3 000
	Grant-in-Aid to SA development Trust Fund					
	Purchase of Land			100 100 100	137 000 137 000	137 000
	Settlement of People in Consolidated Areas			100 100 100	40 000 40 000	40 000
14-18	Development Toward Self Determination					
	Planning and Administration Grant-in-Aid to SA development Trust Fund			10 20 30	850 1 700	2 550
	Land Planning and Conservation			10 20 30	904 1 807	2 711
	Settlement of Population			100 100 100	125 000 125 000	125 000
	Employment Creation and Income Generation			5 10 15	1 922 3 845	5 768
	Human Development			5 10 15	550 1 100	1 650
	Rendering Social Services			5 10 15	1 902 3 804	5 707
	Government Planning and Administration			10 20 30	1 925 3 849	5 775
	Physical Infrastructure			5 10 15	1 832 3 665	5 497
	LESS: Estimated Funds from own sources				-16 000 -16 000	-16 000
14-20	Assistance to Governments of Self-Governing States					
	Governments of Self-Governing National States:					
	Administrative and Technical Assistance (allocation of White officers to self-governing national states)			20 25 30	207 052 258 815	310 578
14-24	Supporting and Associated Services					
	Purchase of properties in independent former self-governing states: Grant-in-Aid to SADT			50 75 80	7 500 11 250	12 000
VOTE 16: DEFENCE						
	25	33	50	1068 527	1282 232	2137 054
VOTE 18: TRADE AND INDUSTRY						
18-9	Decentralisation of Industries			25 50 75	130 349 260 698	391 048

	Estimated % Budget allocation on apartheid			Expenditure in R'000s		
	L	M	H	Low Estimate	Medium Estimate	High Estimate
VOTE 19: JUSTICE	5	10	15	8 854	17 708	26 561
VOTE 20: PRISONS	20	30	50	71 760	107 639	179 399
VOTE 24: FINANCE						
24-16 South West Africa: Transfer to Central Revenue Fund	100	100	100	307 000	307 000	307 100
VOTE 27: ADMINISTRATION: HOUSE OF REPRESENTATIVES (‘Coloured’ own affairs)	10	30	50	26 177	78 531	130 885
VOTE 28: ADMINISTRATION: HOUSE OF DELEGATES (‘Indian’ own affairs)	10	30	50	10 803 2889 410	32 409 3915 428	54 014 5741 001

TABLE 2: Numbers of Cabinet Ministers, Members of Parliament Members of Legislative Assemblies, Members of the President’s Council in South Africa at August 1986

	Ministers	Members
Central Parliament		
‘General Affairs’	21	–
House of Assembly	4	178
House of Delegates	4	45
House of Representatives	4	85
President’s Council	–	60
Subtotal	33	368
“Homelands”		
KwaZulu	7	136
QwaQwa	8	80
Lebowa	10	100
Gazankulu	8	68
KaNgwane	6	45
KwaNdebele	6	72
Subtotal	45	501
“Independent Homelands”		
Transkei	14	15
Bophuthatswana	10	99
Venda	9	87
Ciskei	10	65
Subtotal	43	401
TOTAL	121	1 270

TABLE 3: Government Departments Existing in South Africa, August 1986

Departments	
President/Chief Minister/Prime Minister	11
Transport	5
Foreign Affairs	5
Law and Order/Police	5
Posts and Telegraphs	5
Works/Housing	12
Defence/National Security	5
Labour/Manpower	5
Justice	3
Mineral Affairs and Energy	1
Finance/Budget	14
Environment	1
Interior/Home Affairs	11
Health/Health and Welfare	18
Education/Education and Culture	14
Urban Affairs/Local Government and Home Affairs	13
Agriculture/Agriculture and Forestry	14
Economic Affairs/Trade and Industry	9
TOTAL	151

TABLE 4: Salaries and Administration Expenses of Central Parliament 1981-1987

	1981	1982	1983	1984	1985	1986	1987
Parliament							
Administration	3 262 000	3 417 000	6 220 000	6 646 000	9 173 000	19 736 000	21 311 000
Salaries Allowances							
Senators	966 000	-	-	-	-	-	-
Members House of Assembly	2 871 000	3 612 000	4 362 000	5 424 000	6 566 000	-	-
Members of Parliament	-	-	-	-	12 036 000	11 910 000	-
State President							
Administration	477 000	497 000	1 368 000	1 283 000	1 385 000	3 405 000	4 524 000
Prime Minister							
Administration	1 144 660	1 690 600	2 487 800	981 000	2 745 00	-	-
President's Council							
	-	3 400 000	3 627 300	3 686 200	4 709 000	5 271 000	4 780 000
	8 720 660	12 616 600	18 065 100	17 920 200	24 578 000	40 448 000	42 525 000
(1980 Rands)	7 570 017	9 550 795	12 173 247	10 814 846	12 969 920	18 170 709	

TABLE 5: Salaries paid to Presidents, Vice-Presidents, Chief Ministers, Ministers and Members of National Assemblies in South Africa

	Salaries	Year
Bophuthatswana	1 845 876	1984/5
Ciskei	650 000	1982/3
Gazankulu	613 204	1984/5
KaNgwane	687 958	1984/5
KwaNdebele	351 350	1983/4*
KwaZulu	1 245 803	1984/5
Lebowa	860 560	1984/5
QwaQwa	530 860	1984/5
Transkei	1 219 578	1982/3
Venda	653 850	1982/3*
	8 659 039	

Source: Auditor. General Reports on Accounts of Relevant Activities for stated financial year.

* Expenditure "on National Assembly".