

Deindustrialization, Professionalization and Racial Inequality in Cape Town, 1980-2010

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Abstract

Scholars argue that persistent racial inequality in Cape Town is caused by deindustrialization that has led to high unemployment among blacks (Africans, coloureds and Indians) and the polarization of the occupational structure into a class of mostly white highly-paid managers and professionals and a class of mostly black low-paid service sector workers. This study shows that deindustrialization has not produced a large class of black low-wage service sector workers. Instead, it has produced a professionalizing occupational structure alongside high unemployment. Although whites benefited from the growth of the professional and managerial jobs, these occupations have been substantially deracialised. The consequence for the racial geography of Cape Town is that the city is becoming divided into racially-mixed, middle-class neighborhoods and black working-class neighborhoods characterized by high unemployment.

Keywords

Deindustrialization, racial inequality, polarization, professionalisation, post-Fordist spatial order, urban inequality, class inequality, residential desegregation, residential segregation, South Africa

The Relationship between Deindustrialization and Racial Inequality

Racial inequality has proved to be a persistent feature of urban populations in both developed and developing countries. Even in societies where racially discriminatory legislation has long since been abolished and where affirmative action is practiced, racial inequality has not declined. In response to this phenomenon, scholars have turned to alternative explanations for the persistence of racial inequality. One of these explanations concerns the impact of the changing economic structure of cities on racial and class inequality. Within this school, scholars agree that the shift from goods-producing industries to service-producing industries has resulted in the growth of high-income, white-collar jobs and the decline in middle-income blue-collar jobs. There is disagreement, however, about the employment trends of low-income, low-skilled workers (Bailey and Waldinger 1991, 43). Some authors argue that deindustrialization and the concomitant growth of the service sector led to the decline in demand for poorly-educated workers, which has led to their growing levels of unemployment (Burgers 1996, 100; Hamnett 1994, 422; Hamnett 1996, 109; Kasarda 1989, 30; Wilson 1996, 27-9). By contrast, others have argued that the growth of service sector employment has resulted in a growing demand for low-skilled and low-wage workers and have given less attention to unemployment (Baum 1997 and 1999; Chiu and Lui 2004; Harrison and Bluestone 1988; Sassen 1994, 1998 and 2001).

These different models of urban inequality have quite different implications for interpreting changing patterns of racial inequality under conditions of de-industrialization. Generally, scholars have been concerned to understand the persistence of inequality between black, Hispanic and other non-white residents, on the one hand, and white residents, on the other. They argue that white residents urbanized earlier than most non-white residents and benefited from the growth of middle-income, manual jobs in the manufacturing sector during the

nineteenth and early twentieth centuries. By contrast, non-whites, who migrated to cities during a later period when manufacturing jobs began to decline, bore the brunt of middle-income job losses. As a result, subsequent generations of non-white residents have not been as upwardly mobile as their white predecessors. In the context of northern US cities, most non-whites are usually African Americans or Hispanics. Whereas the former are migrants and their descendants who came from the countryside and southern cities, the latter are immigrants and their descendants who came from Mexico and Central American and Caribbean countries (Waldinger and Bozorgmehr 1996, 15). In the context of Europe, most non-whites are immigrants and their descendants who came from India, Pakistan, Bangladesh, Africa, Asian and Caribbean countries (Hamnett 2003, 109; Vertovec 2007, 1031).

Both the 'professionalisation and unemployment' and the 'polarization' models of inequality agree that de-industrialization and the growth of service sector employment has increased racial inequality because non-whites, with higher proportions of recent low-skilled migrants, have borne the brunt of middle-income job losses caused by the decline of the manufacturing sector. By contrast, the white population, with a greater proportion of better-educated natives, is said to have benefited from the growth of highly-paid professional, managerial and technical jobs. At this point in the argument, these models of inequality disagree. Those scholars who support the 'professionalisation and unemployment' thesis argue that de-industrialization has resulted in higher rates of unemployment among low-skilled non-whites than among better-educated whites (Kasarda 1989, 33; Kesteloot 1995, 211-14; Kesteloot 2000, 199-201; Ortiz 1996; Wilson 1980; Wilson 1987, 39-41; Wilson 1996, 30). By contrast, scholars who support the 'polarization' thesis argue that racial inequality is increased by the disproportionate concentration of non-whites in the growing low-wage, low-skilled service sector jobs and the concentration of whites in the better-paid professional and managerial jobs (Baum 1997, 1897; Harrison and Bluestone 1988, 70; Sassen 1990, 83-4; Sassen 1998, 46; Sassen 2001, 321).

However, it would be wrong to infer from this pattern of persistent racial inequality in Europe and the USA that non-whites are uniformly disadvantaged by de-industrialization. To the contrary, most researchers agree that there is a great deal of educational, occupational and income differentiation among racial minorities (Clark 1998, 191; Clark and McNicholas 1996, 61; Clark 2003, 124; Hamnett 2003, 115; Waldinger and Bozorgmehr 1996: pp.26-7; Wilson 2003, 1099). Consequently, the growth of the professional and managerial middle class, which is one of the main consequences of de-industrialization, has not solely benefited native white residents.

These theories about urban racial inequality in Europe and the USA have been applied to recent studies of racial inequality in post-Apartheid Cape Town. Generally, scholars argue that Cape Town's integration into the global economy has deepened the patterns of racial inequality inherited from a history of colonialism and Apartheid (Jenkins and Wilkinson 2002; Lemanski 2007; McDonald 2008; Robins 2002; Turok 2001). In more specific terms, they argue that in responding to the global demand for producer services and tourism, Cape Town is increasingly taking on the characteristics of a global city. Foreign investment, in the form of Waterfront redevelopment, world-class hotels, international conference centers, casinos, shopping malls and office parks, is geared towards the needs of wealthy foreign tourists and the growing information technology, film and financial sectors. This stands in contrast to the poor performance of the manufacturing industry, which was hard-hit by factory closures, especially in the dominant sub-sectors of clothing, textile and food-processing. These authors argue that this deindustrialization has deepened inequality among the residents of Cape Town, not only in terms of their racial and class differences, but also in geographical terms.

In terms of Cape Town's class structure, these authors argue that the growth of service sector employment and the decline of manufacturing employment has resulted in the occupational polarization of the employed workforce. In other words, there has been a decline in the employment of middle-income workers, who are mostly blue-collar manufacturing workers, and a simultaneous growth in the employment of high-wage professionals and managers and low-wage, unskilled manual workers (Lemanski 2007, 457). These scholars also claim that declining manufacturing employment has increased racial inequality because it has caused high levels of unemployment and informal sector activity among less-skilled workers, who are mostly black (Jenkins and Wilkinson 2002, 40; Lemanski 2007, 457; Robins 2002, 683). The overall argument, therefore, is that the globalization of Cape Town has led to the decline of middle-income, working-class jobs, which has further marginalized African and colored workers from middle-income and high-income jobs. The result of this shift in the occupational structure is a 'significant socio-economic polarization based on race' because whites still dominate the higher-skilled and higher-paid jobs (Lemanski 2007, 457).

These new class divisions are said to correspond with the old racial geography of Apartheid Cape Town. Instead of eroding residential racial segregation, these new post-Fordist class divisions are said to correspond largely with the racial and geographical division between middle-class white suburbs and working-class black (African, colored and Indian) public housing estates or 'townships'. The following quotes demonstrate how widely-held this position is:

'To date, the pattern of socio-spatial development in [Cape Town]...during the period of re-integration into the global economy has not diverged significantly from the pattern established under apartheid.' (Jenkins and Wilkinson 2002, 41)

'The race and class divide between Cape Town's historically white inner city and southern suburbs on the one side, and the black [African] and 'colored' townships on the other, remains firmly intact in the new South Africa.' (Robins 2002, 671)

'From its (always overstated) reputation as a racially tolerant and relatively mixed city under apartheid, Cape Town has arguably become the most racially segregated and racist city in the country.' (McDonald 2008, 9)

'There is a gulf between Cape Town's poor townships [black neighborhoods] and its affluent suburbs [white neighborhoods] which appears to be widening in several respects. Institutional practices and market forces are tending to reinforce spatial divisions rather than to assist urban integration, and there has been little spontaneous movement of disadvantaged communities into well-located areas. Consequently, Cape Town remains one of the least-altered cities in the country.' (Turok 2001, 2371)

The overall argument, therefore, is that the globalization of Cape Town is inhibiting government attempts to 'integrate' the racially divided class structure and geography of the city (Lemanski 2007, 458).

This study will contribute to this debate by presenting evidence to evaluate these claims. First, following the claims of Borel-Saladin and Crankshaw (2009), I argue that since 2001 the occupational structure of employment has continued to grow in a professionalizing and not a polarizing pattern. As far as low-skilled black workers jobs are concerned, this means that their low incomes are increasingly driven, not by the growth of low-waged employment, but by high levels of unemployment. Second, I argue that a substantial proportion of black (African, colored and Indian) Cape Town residents have benefited from the growth of these non-manual service sector jobs. I will also show that this upward occupational mobility is

starting to erode racial residential segregation as blacks increasingly move to live in neighborhoods that were previously restricted for white residents only. Finally, it is important to state that I am not arguing that the upward mobility of many blacks into non-manual service sector jobs is causing overall racial income inequality to decline. In spite of government legislation that has abolished the legal exclusion of blacks from jobs and educational institutions previously reserved for whites only, inter-racial income differences have remained almost unchanged (Leibbrandt, Finn and Woolard 2012; Seekings and Natrass 2005). In a contradictory pattern, the income gains among blacks due to upward occupational mobility have been eroded by growing levels of black unemployment.

The evidence on employment trends presented in this study is based on the Population Censuses, the Labor Force Surveys and the Community Survey, conducted under the auspices of Statistics South Africa (StatsSA), which is the official source of statistics on South Africa.¹ The Population Censuses provide data for the City of Cape Town from 1980 to 2001. The Labor Force Surveys provide data for the period 2000 to 2010, but only for the Western Province. The Community Survey, conducted in 2007, also provides estimates for Cape Town (StatsSA 2007).

Social Polarization or Professionalisation in Cape Town?

On the face of it, the comparison of employment trends in Cape Town in terms of theories developed to explain racial inequality in Chicago, New York and London might seem surprising. However, Cape Town is a good test case for the ‘polarisation’ and ‘professionalisation’ theses for a number of reasons. Firstly, employment trends in Cape Town have also shown a stagnation of manufacturing employment and vigorous growth in service sector employment. Second, the population of Cape Town has also been characterised by waves of urbanization by different races that allow us to examine the impact of deindustrialization on racial inequality. Unlike most South African cities, Cape Town is characterized by relatively large colored and white populations and a relatively small African population. The reasons for this lie in the early colonial history of Cape Town and its rural hinterland, which featured white settlers; slaves brought mostly from India, Bangladesh, Indonesia and West Africa; and the indigenous Khoisan population rather than the indigenous African population as elsewhere in the country (Whisson, 1972). During the apartheid period, coloreds were able to urbanise legally, whereas Africans were prevented from permanent settlement in Cape Town by the Influx Control laws. In more recent decades, African migration to Cape Town has increased, but coloreds still comprise about half the population. So, whites and coloreds first dominated the population in equal proportions until the late 1940s, with whites having privileged access to education and jobs. Thereafter, the white population grew slowly while the colored and African populations grew at a much faster rate due to higher fertility rates and urbanisation. Most of the growth in the colored population took place from the late 1940s, and most of the growth of the African population took place from the late 1970s. So, whites in Cape Town were probably largely of urban origin by the late 1940s. By contrast, colored urbanisation took place during the rise and stagnation of manufacturing employment and African urbanisation took place mostly after manufacturing employment began to stagnate. Because these racial patterns of migration and economic growth conform in broad outline to those found in North American and European cities, this provides an opportunity to evaluate how well the competing ‘polarisation’ and ‘professionalisation’ theories can explain patterns of racial inequality.

Lemanski (2007, 457) argues that de-industrialization in Cape Town over the period 1995 to 2004 has resulted in a polarized pattern of job growth in which there have been similar increases in the employment of ‘highly-skilled’ and ‘unskilled’ workers and a decline in the

employment of 'semi-skilled' workers. Her evidence is based on data published by the South African Cities Network (2006). These results contradict the research by Borel-Saladin and Crankshaw (2009, 658-9), who argued that de-industrialization over the period 1980 to 2001 resulted in professionalization rather than polarization. Their interpretation was based on findings that showed little decline in middle-income jobs because the growth of clerical, sales and service jobs had almost compensated for the decline of semi-skilled manual jobs in the manufacturing sector. Furthermore, there was no substantial polarization since employment growth among highly-skilled managers and professionals was twice as much as the growth among unskilled manual workers between 1980 and 2001.

The statistical discrepancy between these two accounts is due to a publishing error in the South African Cities Network report and the use of different occupational classifications.² In the case of the former, the data for 'semi- and unskilled' employment was transposed with those for 'skilled' employment. These results therefore show a decline rather than an increase in semi-skilled and unskilled employment. Lemanski's argument that the occupational structure is polarizing is therefore not supported by the South African Cities Network research. To the contrary, these findings support Hamnett's professionalization thesis, since the employment of highly skilled managers, professionals and technicians grew steadily while semi-skilled and unskilled manual jobs declined in number. However, because the occupational classification used by the South African Cities Network places semi-skilled and unskilled manual jobs in the same category, these trends hide the fact that semi-skilled jobs declined over this period while unskilled jobs grew slowly.

This study updates these trends for Cape Town using the results of the Community Survey conducted in 2007. I have also analyzed the results of the 1991 and 1996 Population Censuses to confirm that the change between 1980 and 2001 identified by Borel-Saladin and Crankshaw (2009) is a consistent trend over this period. The absolute estimates provided by the Population Censuses and the Community Survey are comparable, so I have included them in the same series. By contrast, the estimates provided by the Labor Force Survey are much higher and, consequently, there is a disjunction between the Population Census series and the Labor Force Survey series. I have therefore analyzed the Labor Force Survey results separately.

The analysis of changes in the occupational structure of employment in Cape Town over the period 1980 to 2007 show a clear, long-term trend of occupational professionalisation, rather than polarization (Figure 1). Employment in Managerial, Professional, Technical and Associate Professional occupations grew at a much faster rate than all other occupational groups, whereas the employment of Unskilled or Elementary Manual Workers stagnated after 1996. This is clearly not a polarizing pattern of employment growth, which proposes substantial growth of both high-skilled and low-skilled jobs. Furthermore, although employment in middle-income Skilled (Craft and related trades) and Semi-Skilled (Plant and Machine Operators and Assemblers) Manual jobs stagnated, there was fairly strong growth in the middle-income Clerical, Service and Shop and Sales jobs. In general, there was therefore substantial growth in high-income jobs, some growth in middle-income, non-manual jobs and somewhat less growth in low-income jobs. This pattern of growth is more accurately described as an upgrading of the skills level of the workforce, or 'professionalisation'.

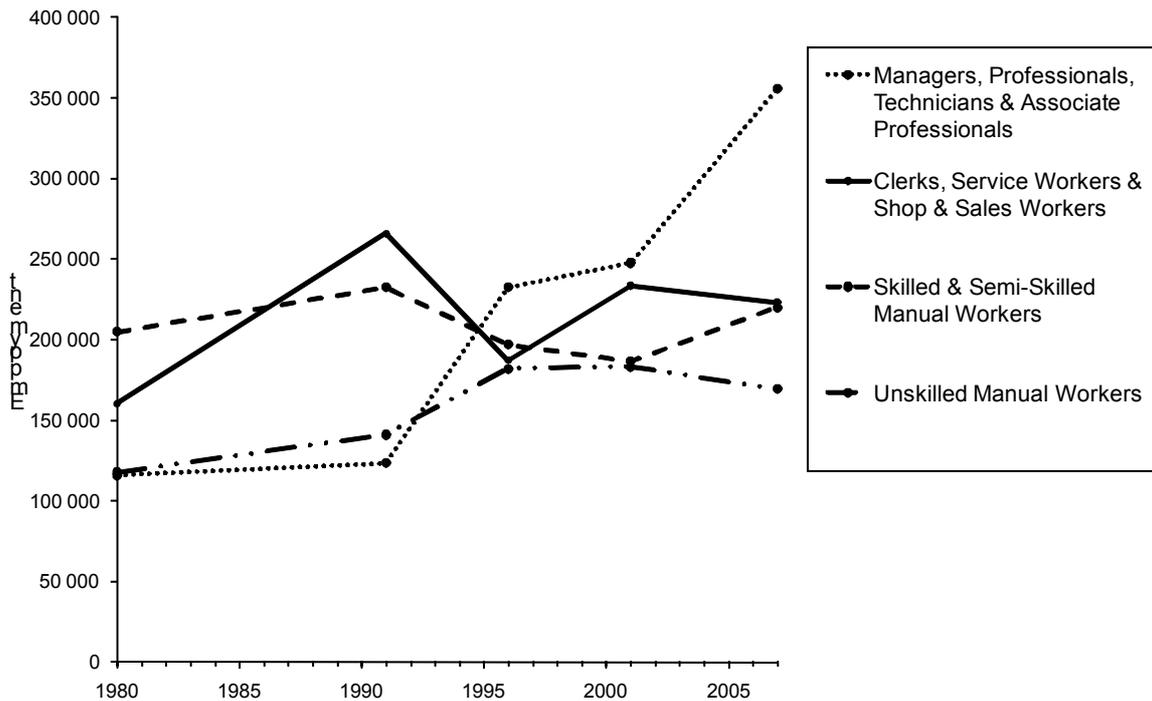


Figure 1. Employment trends by major occupational group in Cape Town, 1980-2007.

These employment trends for Cape Town can be compared with the trends for the Western Cape as a whole. The merit of this comparison is that it allows for use of the Labor Force Survey and Quarterly Labor Force Survey over a longer period, from 2000 to 2010. Although it might seem a stretch to use Western Cape estimates to infer trends within the municipal boundaries of the City of Cape Town, bear in mind that 69% of the Western Cape's employed workforce lives in Cape Town.

The results for the Western Cape show that highly-skilled employment (Professional, Managerial, Technical and Associate Professional jobs) continued to increase over this period. Similarly, Clerical, Service and Shop and Sales employment also grew strongly. By contrast, employment in Skilled, Semi-Skilled and Unskilled manual jobs stagnated (Figure 2). The extent of this shift from manual to non-manual employment was dramatic. Whereas in 2000, Managers, Professionals, Technicians and Associate Professionals comprised one of the smallest occupational groups, over the intervening years it has grown to such an extent that its numbers exceeded the size of unskilled employment. Similarly, Clerical, Service and Shop and Sales jobs grew from being the smallest occupational group to overtake the numbers of Skilled and Semi-Skilled Manual jobs and are now almost as numerous as Unskilled Manual jobs.

These employment trends do not support Sassen's (1994; 2001) occupational polarization thesis for two reasons. First, the numbers of Unskilled Manual jobs are not increasing, so there is no employment growth at the low-skilled, low-income pole in the occupational structure. Instead, there was dramatic growth only in the high-skill, high-income pole. This evidence alone is enough to dismiss the polarization thesis. Instead, these results support Hamnett's (1994) professionalization thesis.

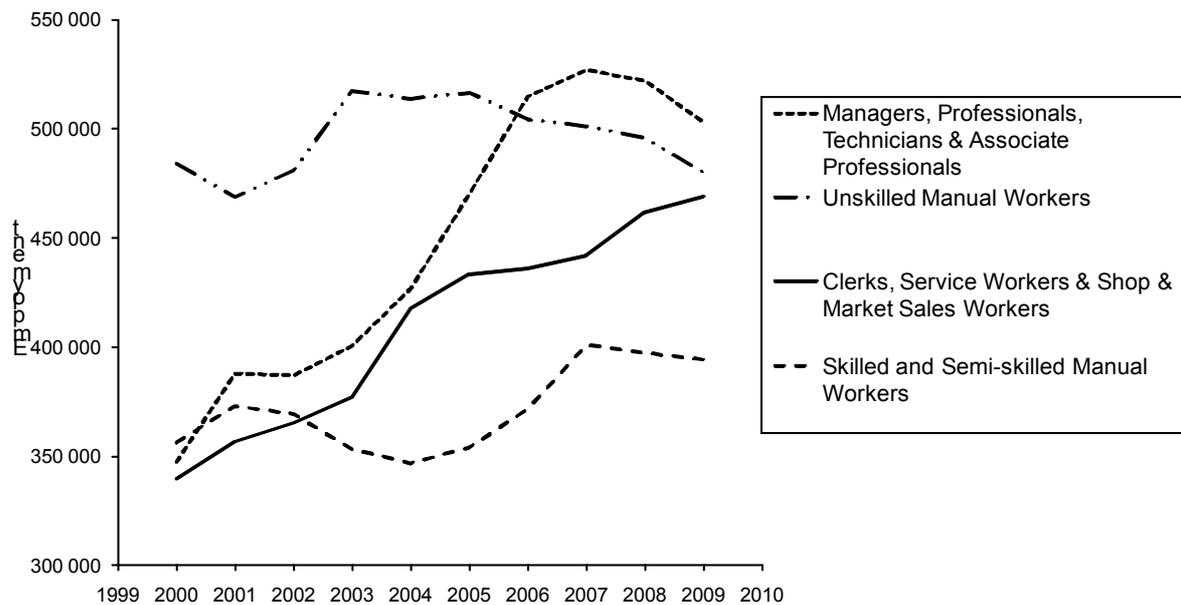


Figure 2: Employment trends by major occupational group in the Western Cape, 2000 to 2010 (3-year moving average)

Second, there has been dramatic growth in middle-income jobs in the form of Clerical, Service and Shop and Sales jobs. Although de-industrialization has resulted in the slow growth of middle-income skilled and semi-skilled manual jobs, the dramatic growth of middle-income Clerical, Service and Shop and Sales jobs has ensured that the overall growth of middle-income jobs has increased rather than declined. The overall pattern of employment growth is therefore one of professionalization, in which there has been an upgrading of the educational and skill requirements of the employed workforce.

Consistent with trends elsewhere, the professionalisation of the employed workforce has been accompanied by a steep rise in unemployment. In 1980, the unemployment rate in Cape Town was a mere 4%. By 1991, it had risen to 14%, reached 20% in 1996 and, after peaking at 29% in 2001, fell to 24% by 2007. The fact that this steep rise in unemployment coincided with de-industrialization does suggest a causal relationship. However, in order for de-industrialization to cause such a high level of unemployment, the overall rate of employment growth should have been very slow or should have declined. In fact, for most years since 1980, employment growth has been quite strong. Economists, who have studied national employment trends, argue that the main reason for high unemployment was the large increase in the size of the labor force and not declining levels of employment (Hodge 2009, 500; Kingdon and Knight 2009, 302). This argument certainly applies to Cape Town, where the average rate of employment growth between 1980 and 2007 was 2.7% per annum, compared to the substantially faster rate of growth of the labor force, which was 3.6% per annum. In other words, between 1980 and 2007, the workforce grew at a faster rate than employment and this is therefore an important, additional, cause of high unemployment in Cape Town. This is not to say that de-industrialization has not caused a skills mismatch that has contributed to unemployment. Although there is evidence that textile workers have been leaving factory work to take clerical and sales jobs at similar wages (Mthenthe 2008), it is nonetheless likely that the middle-income clerical and sales jobs do require more literacy, numeracy and (English and Afrikaans) language skills than were associated with manual, middle-income

jobs in the manufacturing sector. This skills mismatch may have caused some unemployment, but it is certainly not the sole cause of the extremely high levels of unemployment young black residents in Cape Town.

Professionalisation and Trends in Racial Inequality

What were the implications of these changes in the occupational class structure for racial inequality in Cape Town? Proponents of the polarization thesis argue that occupational polarization has contributed to racial inequality in two ways. First, they argue that the growth of Professional, Managerial, Technical and Associate Professional jobs has largely benefited whites rather than blacks. Second, they argue that the decline of manufacturing employment has deprived blacks of middle-income jobs and third, that manufacturing workers have been forced into unemployment and low-income unskilled jobs. Consequently, according to this argument, occupational polarization has resulted in ‘significant socioeconomic polarization based on race’ (Lemanski 2007, 457).

The first of these arguments can be tested by examining the extent of upward black mobility into the middle-class, namely Professional, Managerial, Technical and Associate Professional jobs. The results for the City of Cape Town show that the white share of middle-class jobs declined from 75% in 1980 to 46% in 2007 (Figure 3). In statistical terms, this declining share is due to the slower absolute growth rate of the white middle class. Whereas the colored and Indian middle class grew at an annual average rate of 6% and the African middle class grew at a rate of 12%, the white middle class grew at an average rate of only 2% per annum.

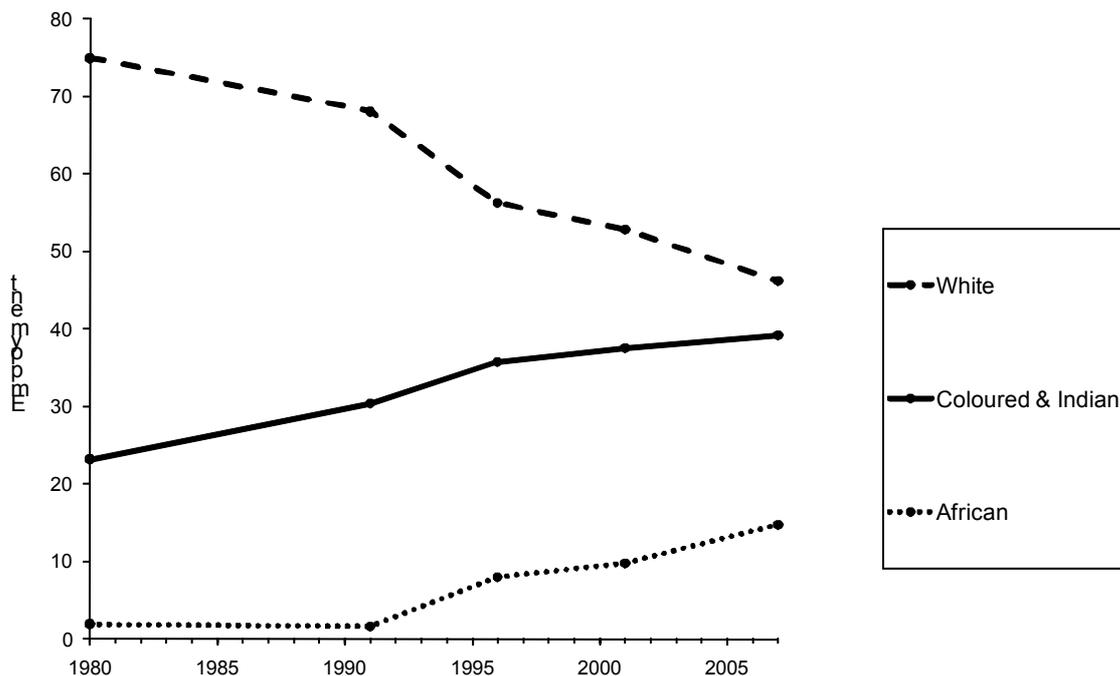


Figure 3. Percentage racial composition of employment in professional, managerial and technical occupations in Cape Town, 1980-2007.

The results for the Western Cape suggest that white employment in the middle class actually declined slightly over the period 2000 to 2010 (Figure 4). By contrast, the numbers of middle-class coloreds, Indians and Africans have more than doubled over the same period. In absolute terms, there are now almost as many coloreds and Indians in the middle class as there are whites. In relative terms, the white share of middle class jobs fell from 65% in 2000 to 46% in 2010. Although it is true that whites are concentrated in the better-paid and more

skilled middle-class occupations, these results show that white predominance in middle class jobs is declining fast. The professionalization of the class structure is therefore not reinforcing racial inequality by excluding blacks from middle-class jobs.

These results should not be surprising. Since the early 1990s, the growth of the black professional and managerial middle class has been fostered by the de-racialisation of both educational and job opportunities as well as black affirmative action in employment (Seekings 2008): The Employment Equity Act of 1998 requires private employers with mid-sized and large-sized workforces to report on their progress in appointing black workers to skilled and highly-skilled jobs.



Figure 4: The Changing Racial Composition of Professional, Managerial and Technical Employment in the Western Cape, 2000 to 2010

The second argument, that deindustrialization has deprived blacks of middle-income employment, can be tested by examining the changing racial composition of Clerical, Service and Shop and Sales jobs. These are non-manual, middle-income jobs that have to a large extent replaced the Skilled and Semi-Skilled Manual middle-income jobs that were lost due to the employment decline in the manufacturing sector. The results for Cape Town suggest that white employment in these jobs declined steeply since 1991. By contrast, colored, Indian and African employment grew steadily (Figure 5). As a result the white share of Clerical, Service and Shop and Sales jobs declined from 55% in 1980 to 19% in 2007.

The results for the Western Cape reveal that by 2000, white employment in these jobs was already small and in fairly rapid decline (Figure 6). By contrast, colored, Indian and African employment in these Clerical, Service Shop and Sales occupations grew steadily. In relative terms, the share of white employment halved from 34% in 2000 to 15% in 2010.

It would therefore be fair to say that most new middle-income jobs, which are found largely in the growing service sector, have gone to African, colored and Indian workers. The professionalization of the employed workforce has therefore not been accompanied by persistent racial inequality. To the contrary, better-educated coloreds, Indians and Africans

have benefited from the growth of both middle-income Clerical, Service Shop and Sales jobs and high-income Managerial, Professional, Technical and Associate Professional jobs.

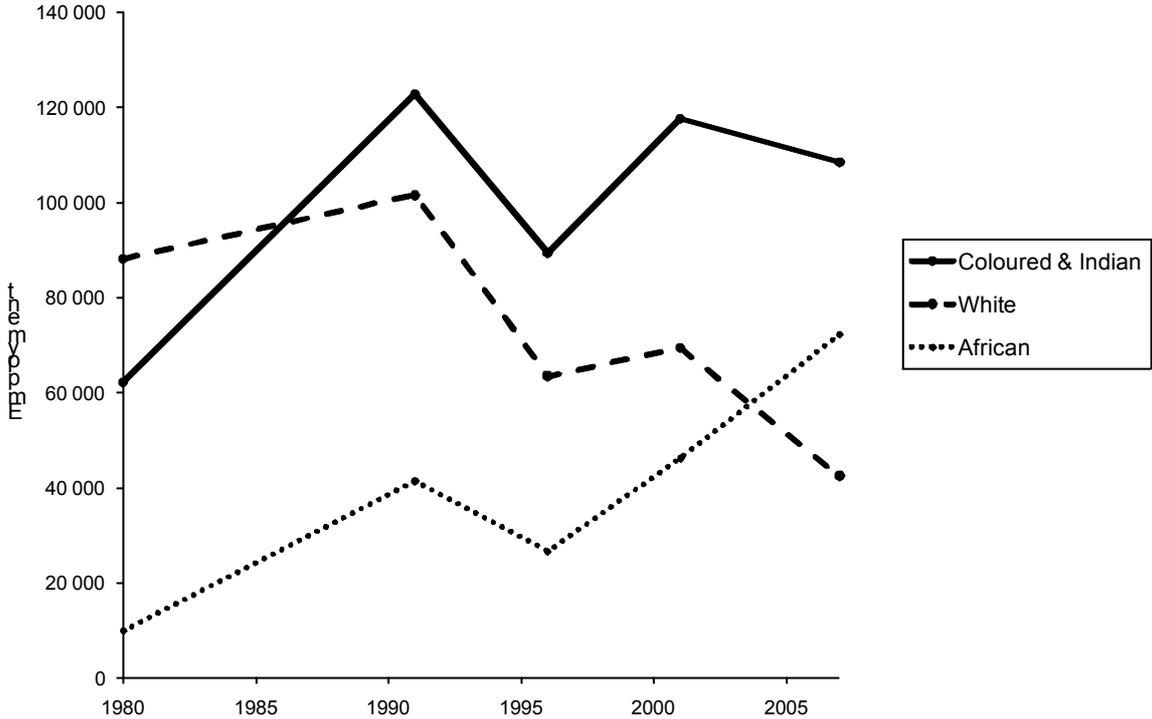


Figure 5. The changing racial composition of employment in Clerical, Service and Sales occupations in Cape Town, 1980 to 2007.

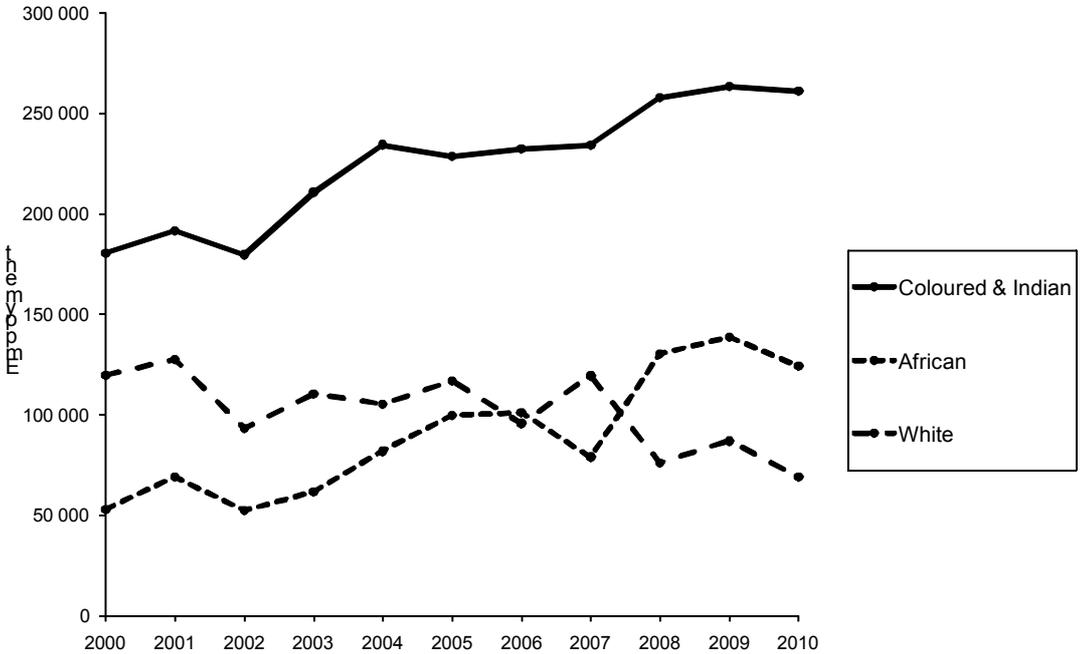


Figure 6. The changing racial composition of employment in Clerical, Sales and Service occupations in the Western Cape, 2000 to 2010

What about the impact of the loss of manual middle-income jobs in the manufacturing sector on racial inequality? Over the period 1980 to 2001, the manufacturing sector shed almost 38,000 machine operators, assemblers, drivers and artisans, most of whom were colored workers (Borel-Saladin 2006, 63; Borel-Saladin and Crankshaw 2009, 654). However, the growth of these Skilled and Semi-Skilled Manual jobs in the service sector reduced the overall losses to about 21,000 jobs between 1980 and 2001. This is a relatively small number of jobs considering that about 387,000 workers were unemployed in 2001. However, as Borel-Saladin (2006, 60) has argued, if manufacturing employment had continued to grow at the same rate that it did in previous decades, about 164,000 jobs would have been created. The loss of such a substantial number of manufacturing jobs contributed to the high levels of unemployment in Cape Town.

The third argument, by contrast, receives mixed support from this evidence. The finding that there has not been substantial growth in low-wage jobs obviously rules out the argument that poorly-educated blacks are being forced into low-wage employment by deindustrialization. However, as discussed above, there is evidence that the professionalisation of the employed workforce has been accompanied by persistent and extremely high levels of unemployment. The fact that this steep rise in unemployment coincided with de-industrialization does suggest a causal relationship. Certainly, it is likely that the middle-income clerical and sales jobs do require more literacy, numeracy and (English and Afrikaans) language skills than were associated with manual, middle-income jobs in the manufacturing sector. An additional explanation for these high levels of unemployment may lie in the fact that the labor force has grown so much faster than employment (Hodge 2009, 502; Kingdon and Knight 2009, 302). Both of these explanations are consistent with the fact that blacks are more unemployed than whites. Not only are blacks, on average, less skilled than whites, an enduring legacy of apartheid schooling, but they are also younger and therefore entered the labor market more recently. So, deindustrialization has probably contributed to unemployment among low-skilled black workers, thereby contributing to racial inequality. However, it is also true that black unemployment has been caused by the growth of the labor force, much of which is due to the migration of low-skilled African workers to Cape Town.

The post-apartheid pattern of racial inequality in de-industrialising Cape Town is therefore a complex one, with contradictory trends for black residents. On the one hand, there was substantial black upward occupational mobility into high-income and middle-income jobs that were created by the growing service sector. On the other hand, job losses caused by de-industrialisation have contributed to extremely high levels of unemployment among mostly black, young and poorly-educated workers. As a result of these contradictory trends, overall racial inequality is probably not declining. Nonetheless, the middle class is becoming racially mixed, with implications for racial composition of residents in the formerly whites-only neighbourhoods of Cape Town.

Race, Class and Space in Cape Town

During the apartheid period, racial residential segregation was deepened by a number of policies. The first was the demarcation of existing neighborhoods into 'Group Areas' for each race. The legislation governing these group areas made it illegal for any person to reside in an area that was not designated for their race. The second entailed the forced removal of black residents from neighborhoods that were designated for white residence. Most infamously, the state removed black residents from neighborhoods in Simon's Town, Sea Point, Mowbray, District Six and Wynberg (Field 2001; Hart 1988; Western 1981; Whisson 1972). The last, and probably the most important policy, entailed the state provision of housing for poor blacks that was spatially separate from existing white areas. These policies led to the creation

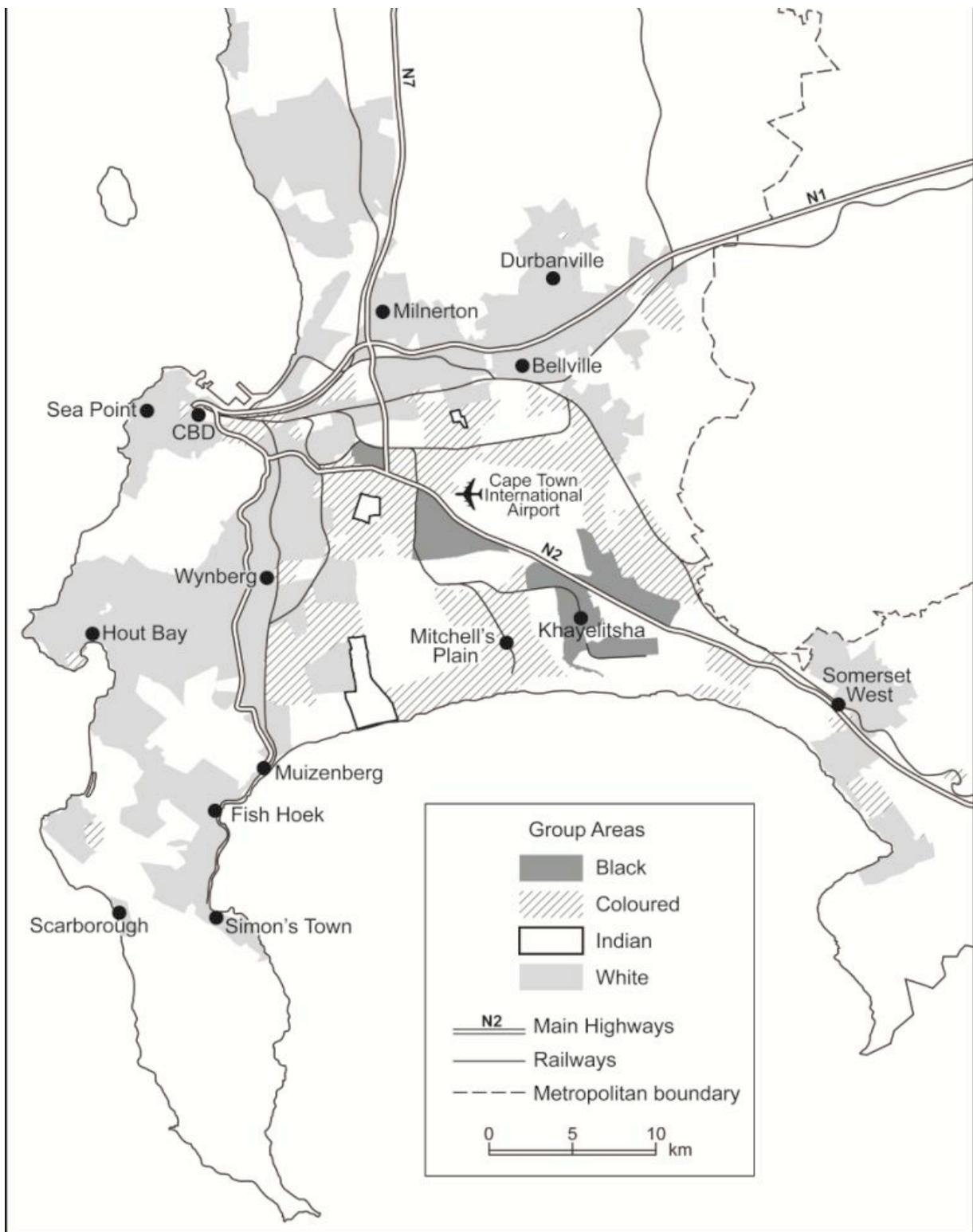
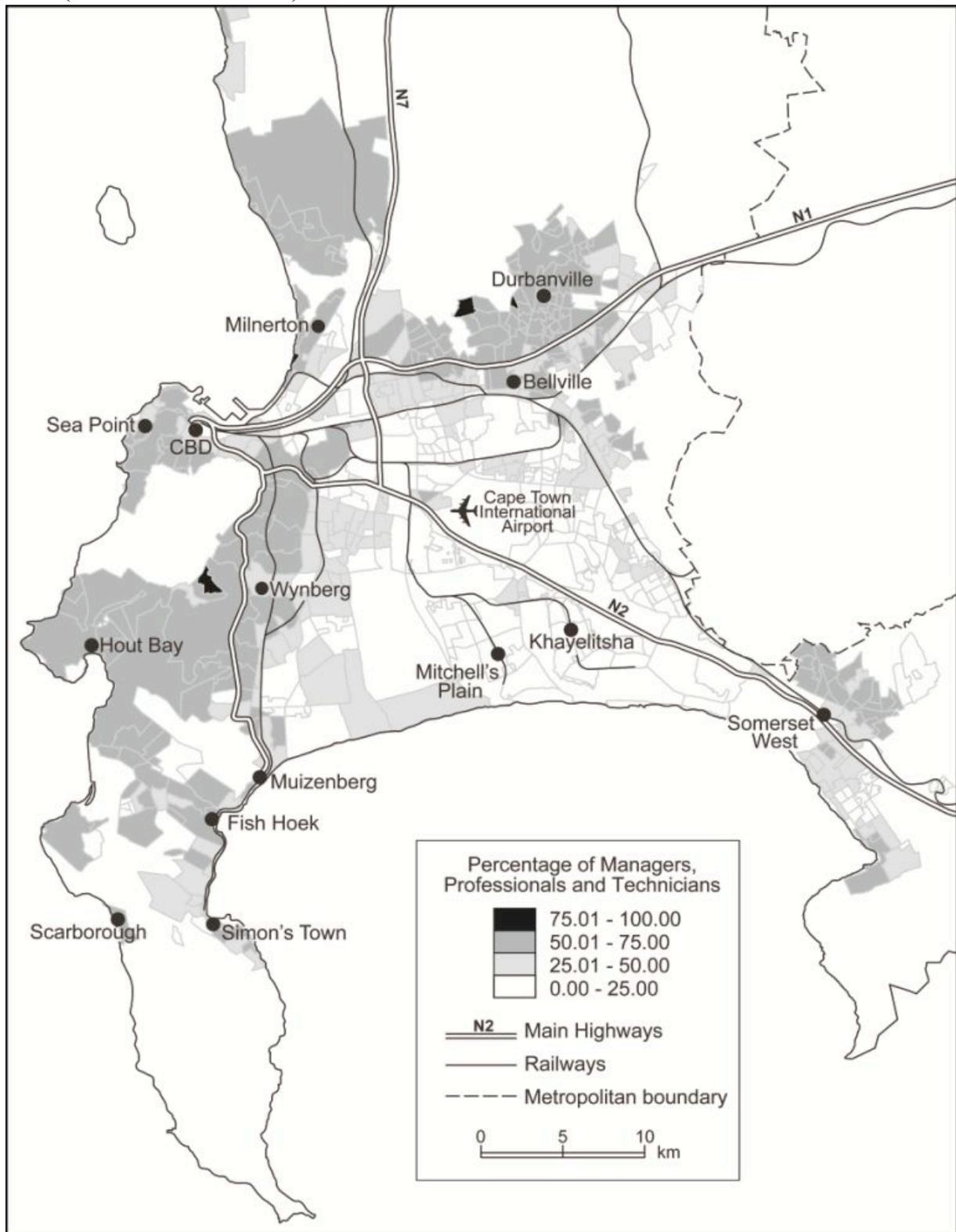


Figure 7. The Group Areas in Cape Town during the Apartheid period (Source: Graham 2007)

of a sharp racial divide between the African and colored ‘Cape Flats’ neighborhoods and the white southern and northern neighborhoods (Figure 7). By 2001, the geography of the old Group Areas still largely corresponded to a division between predominantly middle-class neighborhoods in the west and north of the City and predominantly working class neighborhoods in the south east of the City (Figure 8).³

To what extent has the occupational mobility of black residents into middle-class professional and managerial jobs resulted in the racial desegregation of the formerly whites-only neighborhoods? The most recent neighborhood-level data are those that were collected by the

Figure 8. The percentage composition of middle-class residents in Cape Town neighborhoods, 2001 (Source: Graham 2007)



2001 Population Census. Graham (2007) used these data to calculate the percentage of black residents living in the formerly whites-only neighbourhoods.⁴ These results show that even by 2001, at least some segregation was fairly widespread and, in certain neighborhoods, desegregation was substantial (Figure 9). Consistent with earlier research on residential desegregation (Saff 1998), the vast majority of blacks who have moved into the formerly whites-only neighborhoods are coloreds. These results stand in contrast to the results of research on residential desegregation that relied on the calculation of segregation indices. Using this method, Christopher showed that by 1996 white neighbourhoods in Cape Town showed almost no change in their racial composition since 1985 (Christopher 2001, 453). Examining national statistics, he concluded that by 2001, 'Desegregation is taking place in South African cities, but it is progressing at a very slow pace...' (Christopher 2005, 274). The reason why Christopher's calculations show very little change is probably due to one of the limitations of the segregation index. Cortese, Falk and Cohen (1976, 631) show that the segregation index cannot be used to compare levels of segregation at different points in time if the percentage contributions of the races change. Put simply, the denominator in the equation must be constant if the result is to reflect real changes in levels of segregation. Since the white population of Cape Town declined from 33 per cent in 1980 to 19 per cent in 2001, this change has the effect of increasing the value of the segregation index.

Why was it that certain neighborhoods were so substantially desegregated? The answer to this question probably lies in the characteristics of the neighborhoods themselves, such as their geography and housing stock. Some of these neighborhoods are comprised largely of apartments, which are usually smaller and cheaper than houses. Furthermore, many are also available for rent, which means that the residential turnover is more rapid, therefore providing more opportunities for racial desegregation. Neighborhoods characterized by apartment buildings include the Central Business District (Pirie 2007, 137) and the inner-city neighborhoods of Greenpoint, Seapoint, Observatory, Mowbray, Brooklyn and Maitland (Figure 9). Furthermore, the remaining houses in these neighborhoods date from as early as the nineteenth century and often take the form of terraced and semi-detached units. As such they cheaper, being small and lacking off-street parking for motor vehicles.

Desegregated neighborhoods in suburban locations are found along the first commuter railway routes. In the southern suburbs, these include Kenilworth, Rondebosch East, Heathfield, Lansdowne West and Ottery. In the northern suburbs, they include Parow Valley, Parow, Beaconvale and Bellville Central. Although the housing stock dates largely from the early twentieth century, these neighborhoods are considered desirable because of their convenient location to public bus and rail transport, good schools (Lemon and Battersby-Lennard 2009) and other facilities that are found along the corridor developments of Main Road and Voortrekker Road.

The extent of residential desegregation in some these areas was such that whites are now, appropriately, a minority. For example, in some neighborhoods, the percentage of white residents is less than 25%, which is less than their overall share of Cape Town's population. However, this high level of desegregation is largely limited to formerly whites-only neighborhoods that lie on the boundary with, or are surrounded by formerly coloreds-only neighborhoods. As one moves deeper into the formerly whites-only suburbs, the percentage of black residents drops to between 10 and 25% for most neighborhoods.

While racial desegregation of the formerly whites-only neighborhoods is starting to erode the racial geography of apartheid, a new geographical division between the employed and unemployed residents of Cape Town is emerging. Unemployed residents are concentrated in

the public housing estates and shantytowns of the Cape Flats (Figure 10). In certain neighborhoods, such as Khayelitsha, Bloekombos, Gugulethu and Philippi, the unemployment rate is higher than 40%. These extremely high levels of unemployment stand in contrast to the white and racially-mixed middle-class neighborhoods, where unemployment is seldom higher than 8%.

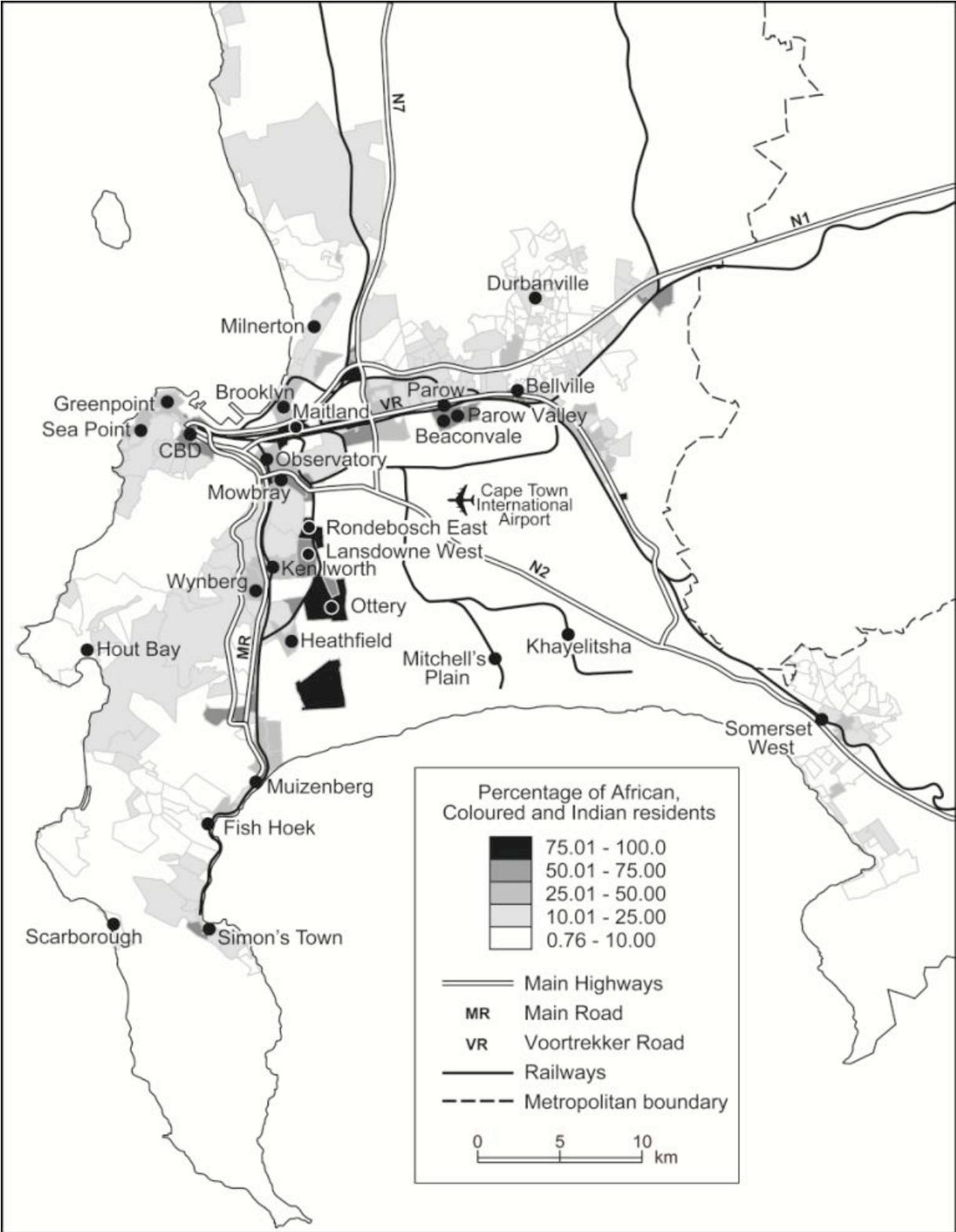
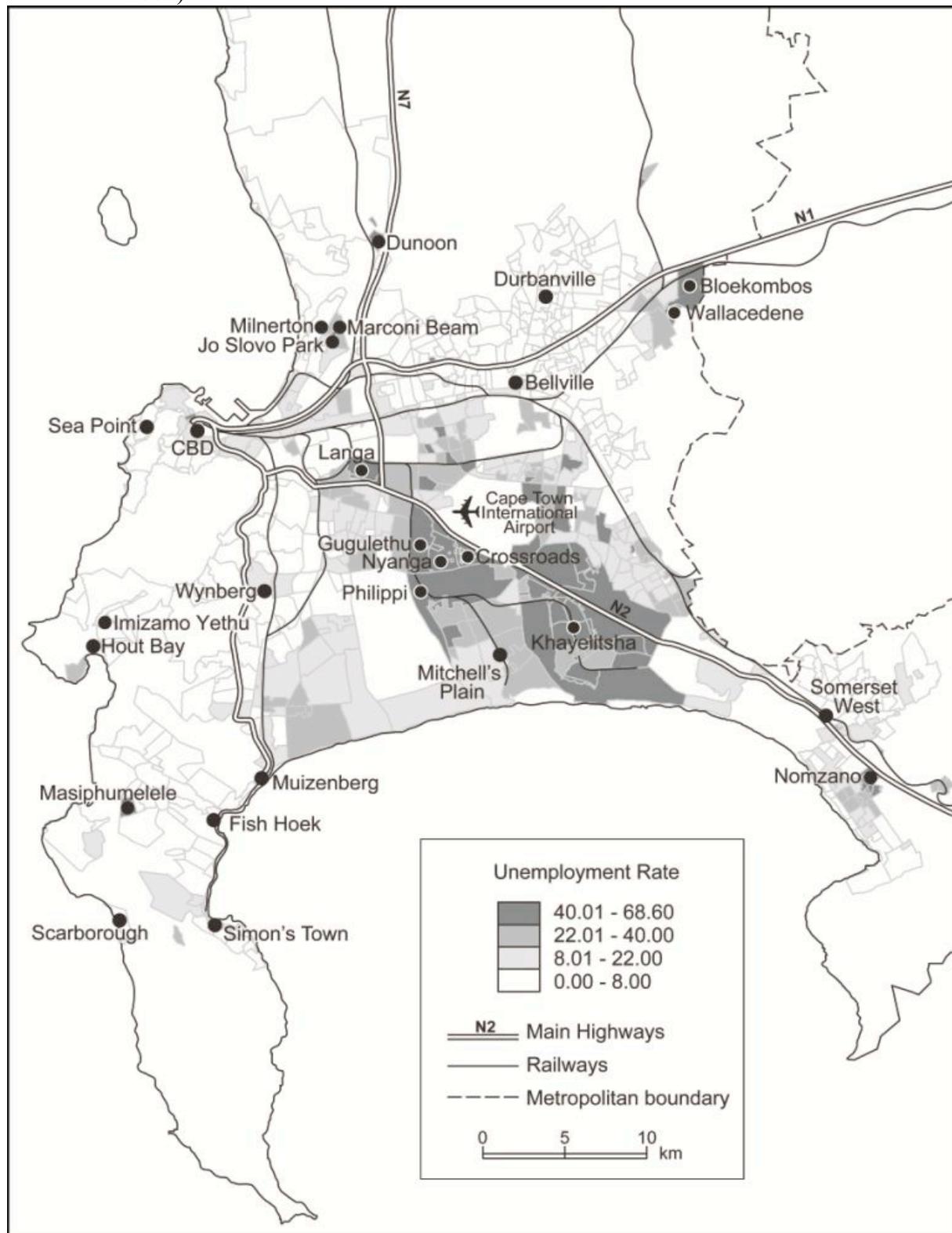


Figure 9. The percentage of black (African, colored and Indian) residents in the formerly whites-only neighborhoods of Cape Town, 2001 (Source: Graham 2007)

Figure 10. The unemployment rate by neighborhood in Cape Town, 2001 (Source: Graham 2007)



Conclusion

This study has examined the relationship between deindustrialization and racial inequality in Cape Town. The results show that the decline of manufacturing employment and the concomitant rise in service sector employment has not resulted in the occupational polarization of the workforce into high-skill, high-wage jobs on the one hand and low-wage, low skill jobs on the other. Instead, there has been an upgrading or ‘professionalisation’ of the employed workforce, with strong employment growth of high-income professional and managerial jobs and middle-income clerical and sales jobs. By contrast, there was much less employment growth of low-wage, low-skill jobs. This result therefore disproves the argument that racial inequality is being increased by the growth of low-wage, low-skilled jobs, in which black workers are concentrated. Instead, these results show that racial inequality was increased by the growth of unemployment among black residents. This unemployment was caused in part by the decline of middle-income manual jobs in the manufacturing sector. However, the increase in the size of the labor force is also an important cause of these high levels of unemployment. The latter cause of unemployment has nothing to do with economic restructuring and is caused by natural population growth and migration to Cape Town.

Although whites benefited from the professionalisation of the employed workforce, they were not the sole beneficiaries. Blacks were employed in increasing numbers in the high-income professional and managerial jobs. Although there was a decline in middle-income manual jobs because of deindustrialization, these losses were more than compensated for by the growth of middle-income clerical and sales jobs in which blacks are predominantly employed. Professionalisation has therefore been associated with a decline in racial inequality among the employed workforce and deepening inequality between employed and the unemployed members of the workforce.

These changing patterns of occupational and racial inequality in the workforce have shaped the racial residential geography of Cape Town. Contrary to the argument that the geographical division between black and white neighborhoods is becoming even deeper, these results show that the formerly whites-only neighborhoods are desegregating as the growing black middle class of professionals and managers moves out of the black Cape Flats neighborhoods. This is not the case for the low-skilled and unemployed black residents, who are increasingly concentrated in the old public housing estates, backyard rooms and shack settlements of the Cape Flats. The emerging post-Fordist spatial order of Cape Town is therefore not one that can be characterized solely with reference to racial divisions. The new divisions are increasing between racially-mixed, middle-class neighborhoods on the one hand, and black working class neighborhoods characterized by high levels of unemployment.

Acknowledgments

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Notes

1. The boundary of metropolitan Cape Town has changed over the years. Therefore, in order to allow for consistency across different population censuses, the data presented here are for the area bounded by the Magisterial Districts of Bellville, Cape, Goodwood, Kuilsriver, Mitchell's Plain, Simonstown, Somerset West, Strand and Wynberg.

The Labor Force Survey (LFS) data were collected bi-annually by Statistics South Africa using a two-stage cluster sample over the period 2000 to 2007. The LFS is a sample survey, which means that the absolute employment estimates are projections. These estimates are calculated by multiplying the survey sample results by a weight that calibrates the sample estimates to population projections. The calculation of the weights is based on the probabilities of selection in the sample, the refusal rate and demographic assumptions about population growth. The probabilities of selection are themselves based on the 2001 Population Census counts for the primary sampling units and updated during each survey (StatsSA 2001). The early LFS samples were designed only to represent the population numbers of the provinces. However, from September 2004 until September 2007, the LFS samples were explicitly stratified by metropolitan municipalities and district councils (StatsSA 2004). The probabilities of selection and the sampling weights for these areas are therefore known. This means that for these surveys, estimates for Cape Town can be calculated. For the sake of brevity and because they do not represent a sufficiently long-term trend, I have not presented the results for this period. From 2008 the sample and questionnaire of the LFS was changed and renamed the Quarterly Labor Force Survey (QLFS). The new sample was designed to produce statistics that represent the populations of provinces, district councils and the metropolitan municipalities (StatsSA 2008, 2). The sample weights of the LFS were revised so that they were consistent with the new sample design of the QLFS (StatsSA 2009).

2. The publishing error was pointed out to me by Alison Todes, School of Architecture and Planning, University of the Witwatersrand, Johannesburg. The original, correct version, is Figure 25 in the report by Hall and Roodt (2005, 62), on which the *State of the Cities Report 2006* was based.

As far as the use of different occupational classifications is concerned, Johann Erasmus, who conducted the statistical analysis for the *State of the Cities Report 2006*, advised me that he used the following occupational classification: 'Highly Skilled' (Managers, professionals and technicians); 'Skilled' (Clerks, sales workers and service workers); and 'Semi- and unskilled' (Craftsmen/artisans, machine operators and unskilled manual labourers'). The employment estimates in the *State of the Cities Report 2006* therefore grouped unskilled manual labourers and semi-skilled machine operatives into a single category, which makes it impossible to estimate trends in unskilled manual employment alone.

3. The boundaries of these Group Areas are based on research conducted by Graham (2007) on Group Area boundaries for the former Municipality of Cape Town. These Group Area classifications take the form of noting sheets that are a record of the Group Areas boundaries. These records were initially drawn up in 1975 by the office of the Property Section, Land Survey Branch, and subsequent Group Area proclamations up until 1989 were included.
4. These estimates include live-in domestic servants. Unlike Johannesburg, middle-class homes in Cape Town seldom have domestic servants' quarters. Our initial statistical

analyses demonstrated that the racial composition of formerly whites-only neighborhoods was not changed significantly by including domestic workers in the count (Graham 2007).

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