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Intergenerational mobility during industrial take-off

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Industrialization is expected to maximize the efficiency of human capital by putting the ‘right man’ in the ‘right place’. We test this assertion by measuring white social mobility during South Africa’s industrial take-off.

For much of the nineteenth century, the territories that made up South Africa were largely agricultural. Cape Town and to a lesser extent Port Elizabeth were the only manufacturing centers. This changed with the discovery of diamonds in 1867 and twenty years later with the discovery of gold in the South African interior, shifting the locale of economic power from the south-eastern coast to the northern interior.

We want to know more about who benefited from the shift in economic prosperity. We know that the mineral revolution resulted in ethnic inequalities – we can see this for example in the improvement and then spectacular decline of the Basotho economy. Whites, who held the political power in the four states that would in 1910 become the Union of South Africa, clearly benefited most from the diamond and gold boom. We know about the opulence of the Randlords and we have rich social histories of individuals and cultural groups, but we do not really know who the main economic beneficiaries of South Africa’s mineral revolution and consequent industrial take-off were.

Using a novel dataset of genealogical records, we make the first attempt to measure the social mobility of white South Africans during this revolutionary period in the country’s economic history. We investigate both absolute and relative social mobility. To do this we employed several methods, in the aim of providing a comprehensive account of intergenerational social mobility and class attainment for the Cape Colony over the nineteenth century.

We find increasing upward social mobility over time, becoming significant following the mineral revolution that began in 1868. Consistent with the qualitative evidence of a shift away from agriculture as the dominant sector in the economy, the results show a general shrinking of the farming class and concomitantly an expansion of the skilled and professional class.

However, sons of farmers experienced virtually no improvements in mobility over time, net of these structural changes in the labor market. This is not entirely surprising given the value of the productive land which they would not have parted with easily. It is difficult to imagine that the son of a farmer, who stood to inherit at least some portion of his father’s land, would seek out a formal education in order to pursue a career as a doctor or lawyer. Rather, the declining role of agriculture in the economy obliged some sons of farmers to take up a new occupation.

Where all of the mobility for sons of farmers was as a result of the structural changes in the labor market, much of the mobility for the sons of semi-skilled workers was net of these changes. Sons of semi-skilled workers were able to substantially improve their occupational status compared with that of their fathers, as barriers to entry into the upper classes were low for this group.

We also investigated possible explanations for these heterogeneous effects. Location seemed to matter. Cape Colony residents seemed to enjoy higher rates of mobility than residents of regions closer to the mines, notably the Orange Free State and the Transvaal. There could be several reasons for this, including lower levels of land ownership, higher levels of human capital and greater access to capital and networks.

These same reasons may explain why immigrant status – whether a person was a first-generation son or not – is another important predictor of upward social mobility. Immigrants, notably those from England, France and Germany, were likely to experience higher rates of upward social mobility and lower rates of downward mobility. Understanding the precise reasons for this greater mobility of middle-class immigrants should be the subject of future research. What our results do show, though, is that the mineral revolution and the consequent industrial take-off fostered achievement-based mobility rather than mobility based solely on ascription.