

# Apartheid geography: The Political Economy of Labor Controls and Structural Change

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  - 2 the capital intensity and geography of industrialization?; and
  - 3 the (sustainability of) pre-existing political coalitions (Greenberg 1980)

## Spatial identification

- Begin with things (e.g. districts, counties, people, firms) that are trending in some way; hit (some of) them with a *shock*; or all of them with differential shocks; or the same shock, but because they're different (*heterogeneous*) they react differently. Compare outcomes — next year, next decade, and in 30 years time.

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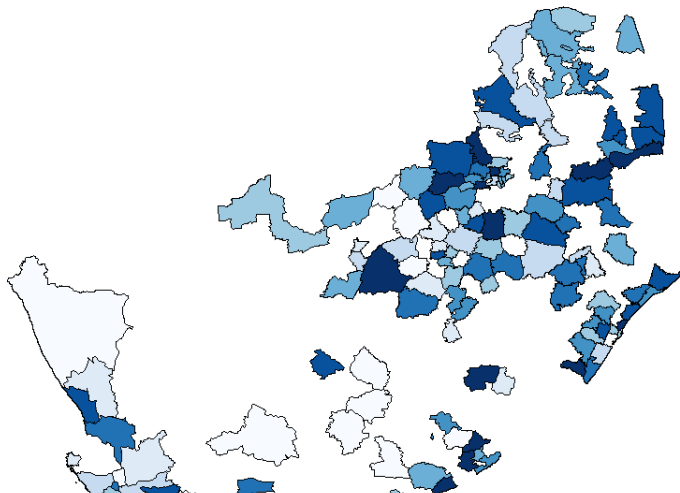
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- It is informative just to look at long-run outcomes and talk about the possible 'historical origins' of things; but, we would also like to know about *mechanisms*, and *excludability* is hard

# Panels

- Problem. Magisterial district level panels are hard to construct in SA

Change in log black wages, 1976-79



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- Other identification strategies in SA:
  - Topography (Dinkelman 2011)
  - Eiselen line? Sanctions? Strikes? Location of missionary stations?

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  - Political outcomes: vote shares

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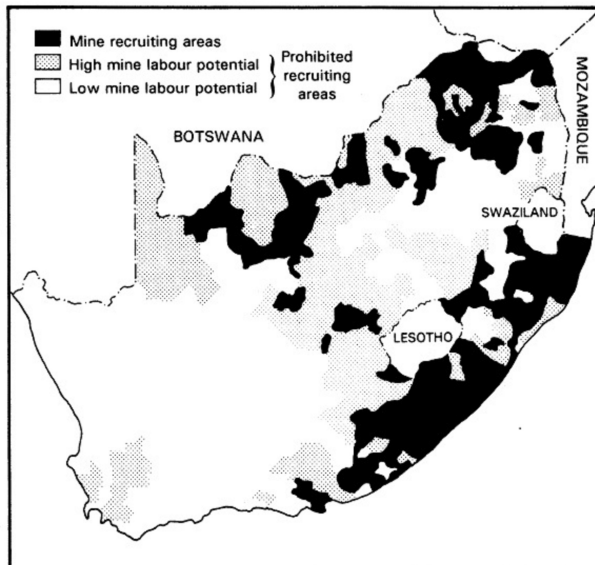
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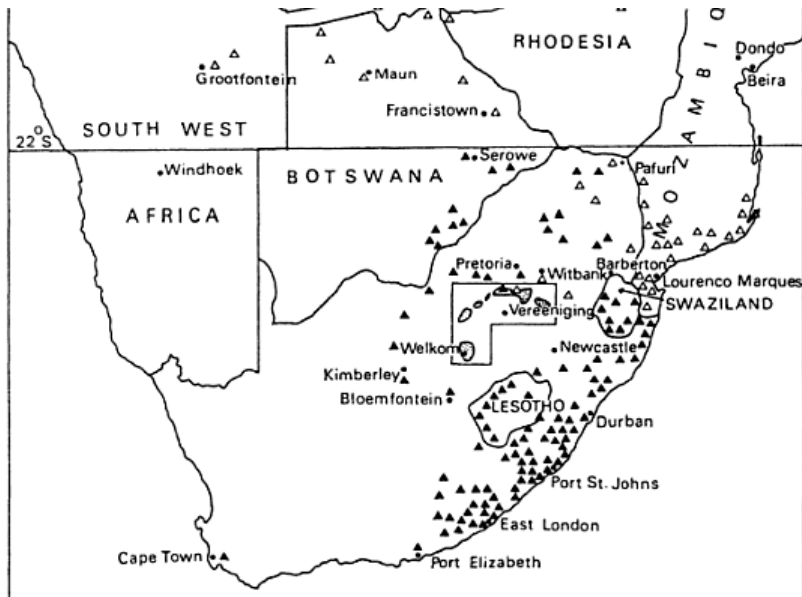
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- Mining and farm labor contest managed through the employment of foreign labor: threatened by 1970s shocks.



## recruiting districts, 1974



# recruiting stations, 1948



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  - Numbers recruited to other industries through the labour bureaux system (including the industry where the workers have gone to).
- There’s also slightly more aggregated stuff on: the mines they went to; the remittances returned home (and from how many recruits those remittances came); mine specific wages paid (including where mine X was above the average for Y many days);

# Shocks

- The state's drive for mechanization of agriculture starting from the 1960s included the incremental (across districts and provinces) outlawing of the “labor tenant” relationship on farms, and led to farm evictions, the elimination of ‘black spots’ and the creation of ‘surplus labor pools’ in the homelands. (Surplus Peoples Project) (exogenous?)



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- Biggest thing (maybe), was the labor supply shocks (Malawi, etc)

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- How does agricultural mechanization respond to mining demand for labor? Is it the case that protection from mine recruitment delayed more capital intensive production methods?
- What are the net effects on the capital-labor choice of manufacturing across districts?

## Spillovers and mechanization.

*Schirmer(2004): “The switch from hand harvesting to machine harvesting occurred in the section of the maize triangle surveyed by De Klerk mostly during the period 1973—1977. The reason for switching during this particular period seems to be related to changes in the cost of labour as mine wages rose rapidly during this period whereas the availability and the cost of machinery did not change substantially.”*



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- Comparable geographies for economic and political outcomes.

End.

- Comments are appreciated.
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