

**Development Bank
of Southern Africa**

Centre for Information Analysis



**SOCIO-ECONOMIC INDICATORS
A LIST OF DEFINITIONS**



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SOCIO-ECONOMIC INDICATORS:

A LIST OF DEFINITIONS

compiled by

CENTRE FOR INFORMATION ANALYSIS



ENQUIRIES:

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PREFACE

The Centre for Information Analysis has as one of its main functions the dissemination of development information to satisfy the information needs of internal and external users. This information, which is disseminated by means of a variety of media, is often presented in the form of socio-economic indicators with the purpose of facilitating the interpretation of the information and also to allow comparison of information relating to different entities or geographical regions. For these purposes it is imperative that the meaning attached to each of these concepts should be unambiguous to prevent divergent interpretations.

By publishing this document, the Centre for Information Analysis does not intend to be prescriptive regarding the interpretation of the listed indicators, but merely aims to facilitate the process of standardising some basic concepts often encountered in statistical documents and other quantitative publications - in fact in most documentation dealing with development issues. Users are therefore invited to comment on the definitions presented in order to stimulate the debate on the issue.

An immediate objective with the publication is, nevertheless, to clarify the meaning of some of the concepts most often used in the information disseminated by the Centre for Information Analysis.

Headway Hill

March 1992

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A. GEOGRAPHICAL AREAS

Inner peripheral area: The SA countryside, excluding the four metropolitan areas, the six self-governing territories and the TBVC countries.

Metropolitan area: The metropolitan areas are:

- the **Pretoria, Witwatersrand and Vaal Triangle (PWV)** area which consists of the magisterial districts of Sasolburg, Alberton, Benoni, Boksburg, Brakpan, Brits, Bronkhorstspruit, Cullinan, Delmas, Germiston, Heidelberg (TVI), Johannesburg, Kempton Park, Krugersdorp, Nigel, Oberholzer, Pretoria, Randburg, Randfontein, Roodepoort, Soshanguve, Springs, Vanderbijlpark, Vereeniging, Westonaria and Wonderboom;
- the **greater Durban/Pinetown/Inanda** area which consists of the magisterial districts of Embumbulu, Empumalanga, Ndwedwe, Ntuzuma, Emlazi, Vulindlela, Camperdown, Durban, Inanda, Lower Tugela, Pietermaritzburg and Pinetown;
- the **Cape Peninsula** area which consists of the magisterial districts of Bellville, Goodwood, Cape, Kullisrivier, Paarl, Simonstown, Somerset West, Stellenbosch, Strand, Wellington and Wynberg; and
- the **Port Elizabeth/Uitenhage** area which consists only of the magisterial districts of Port Elizabeth and Uitenhage.

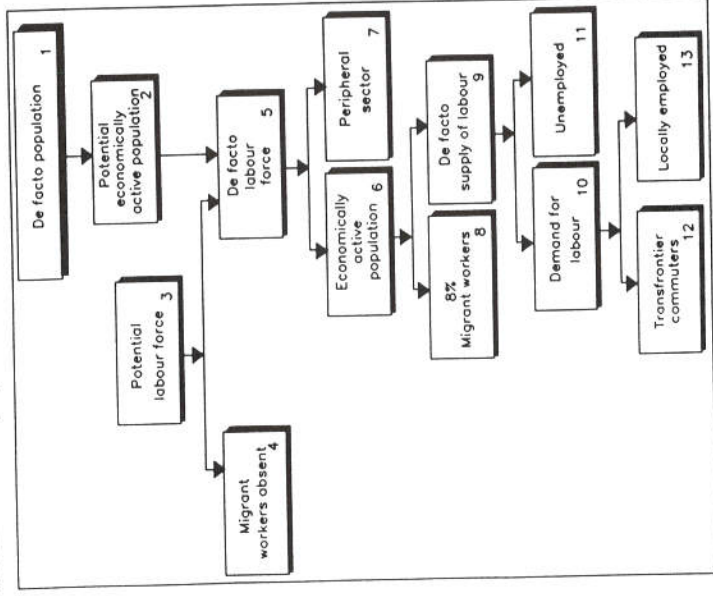
Outer peripheral area: Includes the self-governing territories of Gazankulu, KaNgwane, KwaNdebele, KwaZulu, Lebowa and Qwaqwa as well as the Republics of Transkei, Bophuthatswana, Venda and Ciskei. The following districts of KwaZulu are excluded: Embumbulu, Empumalanga, Ndwedwe, Ntuzuma, Emlazi and Vulindlela which are included in the greater Durban/Pinetown/Inanda metropole.

South Africa: Comprises of the Republic of South Africa (including the six self-governing territories, le Gazankulu, KaNgwane, KwaNdebele, KwaZulu, Lebowa and Qwaqwa) as well as the Republics of Transkei, Bophuthatswana, Venda and Ciskei.

B. LABOUR AND EMPLOYMENT INDICATORS

1. LABOUR FORCE DISTRIBUTION (Description of terms in Diagram 1)

Diagram 1: Labour and Employment: Labour Force Distribution



1. **De facto population:**

See Demographic Indicators (Section C).

2. **Potential economically active population:**

All the persons in the age group 15-64 years of the *de facto* population.

3. **Potential labour force:**

The *de facto* labour force of an area (no 5) plus the number of migrant workers absent from the area (no 4). In areas where no migrant workers are absent, the potential labour force equals the *de facto* labour force.

4. **Migrant workers absent:**
Workers temporarily employed outside their area of origin on a contract basis.
5. **De facto labour force:**
95% of the males in the 15–64 year age group and 55% of the females in the same age group, of the *de facto* population.
6. **Economically active population:**
All the workers in an area, whether employer, employee, self-employed or unemployed, as well as transfrontier commuters and resting migrant workers present in their area of origin at the time of the census.
7. **Peripheral sector:**
Obtained by subtracting the economically active population from the *de facto* labour force. This is only a minimum as the economically active population can easily be over-enumerated.
8. **8% of the total number of migrant workers:**
Estimated percentage of the total number of migrant workers normally absent from their area of origin, at home, on leave, etc, at the time of the census.
9. **De facto supply of labour:**
This is normally equal to the economically active population of that area. However, in the areas where migrant workers were at home at the time of the census, these migrant workers (8% of the total number of migrant workers) were deducted from that area's economically active population to determine the actual *de facto* supply of labour of that area.
10. **Demand for labour:**
Determined by subtracting the official unemployment (no 11) of the area from the *de facto* supply of labour of that area. (The demand does not imply that these people were actually formally employed, or that they were employed within that specific area.)
11. **Unemployment:**
People who are actively looking for jobs, but are not in any type of paid employment. No provision is made for hidden unemployment and under-employment.
12. **Transfrontier commuters:**
Workers who leave their permanent residence on a daily or weekly basis for employment in an area within travelling distance.
13. **Locally employed:**
All the persons in the formal economy in a specific area.

2. LABOUR INDICATORS

- Participation rates:**
Economically active population as percentage of the potential economically active population.
- Dependency ratio:**
- **Youth dependency:** Number of children (<1-14 years) supported by every economically active person.
- **Not active persons dependency:** Number of not active persons (for the age group 15-64 years) supported by every economically active person.
- **Aged dependency:** Number of aged persons (65+ years) supported by every economically active person.
- **Total dependency:** Total number of persons supported by every economically active person excluding himself.
- Male absenteeism ratio:**
Difference in the ratio of males to females in the 15-64 year age group.
- Unemployment rate:**
The unemployed as a percentage of the *de facto* labour supply.
- Labour tress statistics:**
Diversification/concentration of employment according to economic activity.
- Absorption capacity:**
- **Average:** The percentage of the potential labour force employed in the formal sector of the economy.
- **Marginal:** The percentage of new labour market entrants able to find employment in the formal sector of the economy.
- Employment intensity:**
Formal employment opportunities per R1 million GGP according to economic activity.
- Location quotient:**
An indication of the comparative advantage of employment according to economic activity.

C. DEMOGRAPHIC INDICATORS

De facto population:

Includes all persons physically present in a specific area at the reference date, ie the date of the census.

Population doubling time:

The number of years required for a population of an area to double its present size, given the current rate of population growth.

Sex ratio:

Number of males per 100 females.

Total fertility rate:

Average number of children born to females in the age group 15-49.

Infant mortality rate:

The number of deaths of infants under one year of age per 1 000 live births in a given year.

Teenage births:

Percentage live births to mothers younger than 20 years.

Life expectancy:

The average number of years a person can expect to live at the time of birth.

Literacy rate:

Percentage of population who are 13 years and older who have attained a Sisd 4 or higher qualification.

Children not attending school:

Percentage of all children in the ages 6-14 years who do not attend school.

Official urbanization:

Percentage of persons living in towns with some form of local authority supplying services to the inhabitants of such towns.

Functional urbanization:

Percentage of people officially urbanised (see above definition) as well as peri-urban (concentrations of people who are dependent on urban areas for employment, shopping and other purposes) and semi-urban populations (concentrations of people in excess of 5 000 persons).

D. EDUCATION INDICATORS

Primary school:

No common standard definition currently exists as it varies between States/Departments. It is normally defined as either Grade I (Sub A) to Std 4 or Grade I (Sub A) to Std 5.

Secondary school:

No common standard definition currently exists as it depends on the definition of a primary school in that area. It is normally defined as either Std 5 to Std 10 or Std 6 to Std 10.

Enrolment rate:

Due to various definitions for primary and secondary schools, it is advisable to use only the **total** enrolment rate (all pupils in primary and secondary schools as percentage of population in 5-19 years age group) for comparison purposes.

Pupil/Teacher ratio:

The number of pupils in a specific standard, school, etc divided by the number of teachers.

Pupil/Classroom ratio:

The number of pupils divided by the number of classrooms available to them.

E. SECTORAL ANALYSIS

Comparative advantage:

Indicates a relatively more competitive production function for a product or service in a subregional economy than in the aggregate economy or in the other subregional economies. This subregional economy therefore produces the product or renders the service relatively more efficiently.

Economic sectors:

- **Leading**
The sector(s) which recorded the largest positive shift(s), ie the best-performing sector(s).
- **Largest:**
The sector(s) which made the largest contribution to the GGP of the subregion.

Location quotient:

An indication of the comparative advantage of an economy. A subregional economy has a location quotient larger (smaller) than one, or a comparative advantage (disadvantage) in a particular sector when the share of that sector in the subregional economy is greater (less) than the share of the same sector in the regional economy.

Nominal GGP: Gross geographic product at current prices.

Nominal GGP per capita: GGP at current prices divided by the *de facto* population.

Nominal GGP per worker: GGP at current prices divided by the total economically active population.

Personal Income/GGP ratio: Real personal income divided by real GGP, ie the percentage of the production in the region which is retained by the inhabitants of the region as income.

Personal Income per capita: Real personal income at constant prices divided by the *de facto* population.

Real GGP per capita: GGP at constant prices divided by the *de facto* population.

Real GGP per worker: GGP at constant prices divided by the total economically active population.

Shift in GGP:

The shift in the relative share of a subregional economy (shift-share analysis) can be estimated by allowing the 1970 GGP in the subregion to grow at the regional growth rate, and comparing the results. Should the actual GGP exceed the result, the subregional economy has obviously grown faster than the regional economy, and consequently plays a larger role, and *vice versa*.

Tress index:

Indicates the level of concentration or diversification in an economy. It is estimated by ranking the nine sectors according to their contributions to GGP, adding the values cumulatively and indexing them. A tress index of 0% represents a perfectly diversified economy, while a high level of concentration is indicated by a number closer to 100%.

