

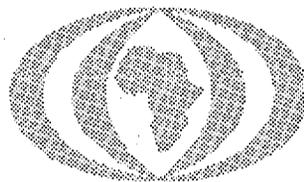
**THE REPUBLIC OF TRANSKEI  
Two Years of Independence  
1976 — 1978**

Denis Venter

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**OCCASIONAL PAPER**

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*Mr. Denis Venter* is Currently Senior Researcher at The Africa Institute of South Africa. From 1975 until the end of 1977 he was Assistant Director of the South African Institute of International Affairs, and the initial research for this paper was undertaken with the assistance of The Institute. The contents of the paper first appeared as a two-part article in the Africa Institute *Bulletin* vol. 16, nos. 3 and 9/10 respectively.

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The South African Institute of International Affairs

Jan Smuts House  
P.O. Box 31596  
BRAAMFONTEIN  
2017  
South Africa

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## THE REPUBLIC OF TRANSKEI: TWO YEARS OF INDEPENDENCE 1976 TO 1978

Denis Venter

### *Industrial and agricultural development: problems and prospects*

It is estimated that 327 000 Transkeian migratory workers have to find work in South Africa. The creation of employment opportunities for some of these, as well as for new-comers to the labour market, is therefore urgently necessary; especially as the tempo of urbanisation, which is presently estimated at below three percent, is likely to increase sharply in the future. The Transkei Government's active participation in development projects is therefore obvious and already visible in the considerable capital expenditure for industrial, agricultural and infrastructural development, as well as the utilisation of human resources.

Government expenditure in the *more productive* sectors of the economy is not only of great importance, but also one of the preconditions for economic growth. This expenditure provides an indication if any change can be expected in Transkei's growth rate and, if so, whether it can at least be maintained over the short-term. Moreover, it is clear that the expansion of the public sector (especially expenditure on infra-structure) will continue to have a decisive effect on the economic growth of Transkei in the foreseeable future. The public sector's investment in land planning and conservation and physical infra-structure together with the expenditure of public corporations is, therefore, of prime importance.

Transkei is not a consolidated area and actually consists of three separate land units, but the striking fact is that growth points do not have to compete with an established economic core area - like, for instance, the Pretoria/Witwatersrand/Vereeniging complex. This is to Transkei's advantage as development projects there will not have to compete with any existing, near-by economic activity - except to a certain extent the growth point at East London.

Industrial development provides employment opportunities and generates income, with the further side-effect that it enlarges the domestic market. Transkei offers a home to nearly 2,5 million people who represent a reasonably limited market. The existing consumer demand is merely supplementary to a self-sufficient subsistence economy and the buying power per capita is very low. Despite this, as income, and awareness of more sophisticated products increases, consumer demand and the provision of consumer goods will similarly have to increase.

The two most important growth points in Transkei are Butterworth and Umtata, although many projects have been launched in outlying districts. There are, for example, saw-mills at Lusikisiki, Engcobo, Singisi and Qumbu, a grain-mill at Qamata, a textile factory at Illinge, etc. By far the most spectacular development has taken place at Butterworth, where 54 industrial enterprises have been established. The Transkei Development Corporation (TDC) is involved in the establishment of industries by assisting local businessmen, starting its own enterprises or by encouraging the agency system whereby entrepreneurs from abroad are helped to build factories in Transkei. This development is of vital importance in the sphere of employment opportunities and by 1976 nearly 17 236 work opportunities had been created in a variety of industries varying from plastic products and chemicals to textile goods and footwear to building materials and concrete products.

About 20 percent of the total investment in Transkei is derived from foreign sources, mainly West German and Italian, while Britain, Taiwan and Australia have shown interest. Between 1976/77 and 1977/78, 33 new industrial enterprises were established in Transkei, employing 3 500 workers and investing almost R41 million. At present another 24 undertakings are being established, providing employment eventually for 2 500 more workers, at an additional investment of R26 million. Although some of the aforementioned industries may be relatively capital-intensive, an attempt is nevertheless made to give priority to labour-intensive industries. It has also been possible to attract service industries to Butterworth and Umtata. Transkeians have further proved their ability to come to terms with an industrial milieu: productivity remains satisfactory and the labour turnover in the Butterworth industrial complex is as low as two percent.

The agricultural sector remains the prevailing problem, although Transkei has often been referred to as the future "bread basket of Southern Africa". This prediction is, in fact, based on potential rather than actual production, as most foodstuffs are imported mainly as a result of the negative effects of a basic subsistence economy. The production of cereals is only 10 percent of the potential (as low as three bags per ha, compared to a potential of almost 30 bags) and only 0,25 percent of the cattle population of 1,34 million is marketed annually. It is further calculated that Transkei is overstocked by some 500 000 large animal units. As agriculture represents the most important production sector in Transkei, it is imperative that cattle-farming be put on a modern economic footing. To do this, the small peasant farmer will have to be persuaded to become more market-orientated.

A great deal of attention is given to the realization of agricultural potential by the establishment of industrial crops. The tea projects at Magwa and Majola extend over a combined area of more than 1 000 ha and employ nearly 2 000 workers. At present, about 600 t of dried tea is harvested and this figure is expected to double to 1 200 t by 1980, which could mean up to R15 million in foreign exchange. Two sisal plantations at Butterworth and Lusikisiki cover nearly 1 800 ha and supply about 20 000 t of fibre annually. The potential for sugar growing has been investigated and it appears that sugar can be produced on nearly 20 000 ha in the Lusikisiki and Bizana districts at an investment of some R100 million, including a sugar mill.

Coffee has been cultivated on about 300 ha at Lambasi and Intsimbini, but has not proved to be successful and is currently being grown on an experimental basis only. Tests are being conducted with pyrethrum at Kentani and Qamata and 1 600 macadamia nut trees have been planted at Great Umngazi. It will be some time, however, before these projects can be considered viable. Furthermore, the provision of irrigation facilities and dams form part of the Government's expenditure on land planning and conservation.

Transkei has considerable agricultural potential, but the pattern of soil utilisation is illustrated by the fact that from a total of 4 379 812 ha, only 17 percent is utilised for crop production, while 80 percent is used as grazing land and for afforestation. The remaining three percent is taken up by roads, town development, residential areas and recreational facilities. Although topography could play a role in this unsatisfactory pattern of soil utilisation, it is nevertheless obvious that agrarian reform has become imperative for Transkei, not only to become self-sufficient in food production, but also to be able to export foodstuffs.

A necessary pre-condition to achieve self-sufficiency in food production is the training and motivation of the rural population and peasant farmer communities to become more profit- and production-orientated. Only such a concerted effort could make Transkei independent of general food imports. This is of cardinal importance, as many development projects in Africa have failed because limited funds which could have been utilised for economic development had to be spent on food imports.

Development prospects in the years ahead will depend on the productive mobilisation and utilisation of resources, especially labour. The further expansion of the domestic market, as well as the creation of more employment opportunities are other factors which could assist Transkei to become more independent of South African budgetary assistance.

The promotion of foreign trade through the development of export-orientated industries is another significant factor which can stimulate economic development. It could give Transkei access to foreign capital sources, technology and markets, not only in Southern Africa but world-wide. Transkei can hardly hope to compete with South Africa in the industrial field, unless industrial enterprises concentrate on the manufacture of a unique type of product, or supply quality consumer goods at very competitive prices. For example, the investment of the *Intermagnetics Corporation* of the USA enables *Intermagnetics Transkei* in Umtata to manufacture magnetic tapes and tape cassettes at such competitive prices that almost the total production is destined for the overseas market. The West German enterprise *Maschinenfabrik Bernhard Braun*, after extensions to the workshop of its affiliate *K Braun Woodworking Machinery* in Butterworth (which, until recently, specialised only in saw-mill equipment), has obtained the sole franchise for the manufacture of complete specialised exhaust systems for Mercedes Benz products for the Southern African market. They will also be exported to Australia and South America. An enterprise processing seaweed (kelp) in Butterworth, established by the *Taurus Chemical Manufacturing Company* of Johannesburg, is able to supply the entire Southern African market with chemicals necessary for food processing, as well as for the petroleum, pharmaceutical and textile industries. By-products of this industry are inter alia also used in medical research and the manufacture of adhesives and compact concrete. The manufacture of fishing-flies by *High Flies* in Butterworth is a further example of a highly specialised enterprise which not only markets in Southern Africa, but also exports to North America, Europe, Australia and Japan.

The proposed free harbour at Umngazana, south of Port St Johns, the cost of which is estimated at about R125 million is of considerable potential economic importance. In addition to the harbour, which will have to provide container facilities, a tax-free trade and industrial area as well as the necessary intra-structure (service roads and railway sidings) is being planned. An international company has already been formed for this purpose by way of an agreement between the Transkei Government and the *Transkei National Engineering Corporation* (composed of *Systems and Management Board* of Umtata, and a French company, *Société des Etudes d'Équipement d'Enterprise*). This company has been launched with a share-holding of R10 million, of which the Transkei Government holds 50 percent (R2,5 million of this commitment has been written off against the cession of 128 km<sup>2</sup> for the building of the harbour complex and supplementary facilities and the remaining R2,5 million is payable in cash over five years). It is hoped to complete the first phase of the project within four years and to have the infra-structure operational within 10 years.

The capital expenditure tied up in a project of this nature may easily escalate to an amount of R400 million or more. It remains to be seen whether Transkei will be able to obtain such large loans, although Arab petrodollars might be a possible source. This project and the one at Richards Bay cannot be compared, due to the difference in size and nature thereof. At the end of the first quarter of this year, an amount of R820 million had already been spent on the Richards Bay project and the estimated costs may even be considerably more. The Umngazana project will, on the other hand, be much smaller and probably make provision for containerised cargo only. A railway line from Umtata to Umngazana will have to be built over an estimated distance of 95 km. This may well be increased to 125 km if the topography is taken into account. A road will also have to be built from Tombo to the harbour over an estimated distance of about 30-35 km, while the existing 75 km road between Tombo and Umtata will have to be upgraded.

Transkei regards economic development as its first priority. This will probably result in Transkeian society eventually being transformed, as economic development impregnates all sectors of government. Transkei indeed has at its disposal most of the pre-conditions necessary for economic growth, and the development of a healthy, modern industrial society. Success in development, however, means that the society will have to adapt and change (despite all the patent cultural and social impediments) in order to satisfy modern needs.

The aspirations of Transkei are reflected in the numerous development projects which have already been launched. It is duly acknowledged that the realization of economic development will not only depend on the inflow of foreign capital and expertise but also on the mobilisation of Transkei's natural and human resources. Thus the quality of human resources, and not merely capital resources will eventually determine the nature and rate of economic and social development. Further extension to educational facilities and an upgrading of administrative capacity are compelling priorities for any developing state. Special attention is therefore given to technical and tertiary education, vocational training and in-service training schemes to provide the manpower necessary for Transkei's growing industrial sector.

Be it as it may - as a relatively young state in the international community, Transkei indeed stands at the beginning of a long and difficult road to development.

#### *Land claims and relations with South Africa*

The international community has long been familiar with serious friction and deteriorating relations, in certain instances even resulting in armed conflict and full-scale war, that have sometimes arisen from the demarcation of state boundaries and resulting land claims. Border disputes and territorial claims have been a manifestation of inter-state relations since the origin of the earliest state systems.

African states feel very strongly about retaining the state as a political and territorial unit in the African context. They argue that if any group or territory is granted the right to secede - no matter how justified the claim may be - it could stimulate secessionist movements in other territories or among tribal groupings, resulting in the disintegration of the parent state.

Mutual respect for existing boundaries, and restraint in desisting from the revision of boundaries, were consequently sanctioned by the resolution on "Border Disputes between African States" adopted at the 1964 Cairo Summit Conference of the OAU. This resolution has basically validated territorial boundaries in force at the time - as well as those of colonial dependencies - because it was the inviolability of existing boundaries in Africa - that the OAU refuses to recognise the independence of Transkei and Bophuthatswana. The homeland policy of the South African Government is regarded as a violation of this principle, because it assails the territorial integrity of South Africa as a unitary state. African states are also of the opinion that recognition of Transkei and Bophuthatswana will amount to condoning South Africa's apartheid policy. This, to a considerable degree, poses a psychological barrier that probably could be surmounted by the necessary adjustment to and adaptation of existing policy.

There are, however, precedents that already run counter to the sacrosanct principle of inviolability and immutability of African boundaries. Senegal and Gambia have since adjusted their mutual boundary, and Western Sahara has been divided between Morocco and Mauritania. Mayotte's secession from Comoros is likewise a direct negation of this principle. To prevent serious discord within the OAU, the dispute over Western Sahara, in particular, is apparently being hushed up - special OAU sessions scheduled to discuss this matter have been postponed on three occasions - and the de facto position may in time become de jure.

It is interesting that Lesotho's land claims (to the Eastern Orange Free State) against South Africa could be rejected on the grounds of this very OAU principle. As a member state of the OAU, Lesotho on becoming independent accepted its colonial boundaries as binding: after all, the 1964 resolution states that all member states pledge themselves to respect existing boundaries upon obtaining national independence. Transkei, Bophuthatswana and South Africa are not member states of the OAU, however, and therefore need not consider this principle legally binding in their case.

The disputed area of Griqualand East (3 823 km<sup>2</sup>) has frequently been the scene of mutual tribal conflict and colonial manipulation in the past. Dr. Matanzima's claim is based on a treaty concluded between the Mpondo Chief Faku, and Britain in 1844. In terms of this agreement Chief Faku was recognised as ruler of all territory between the Umtata and Umzimkulu Rivers, and from the Indian Ocean to the Drakensberg Mountains. Historical evidence indicates that Khoisan (Bushmen) hunters and a few black communities inhabited the disputed area - that had also been known as No Man's Land in the past.

Chief Faku had no control over these people and eventually found his treaty obligations inconvenient as his nominal control made him liable for Bushmen raids on Natal. Consequently he offered to cede the whole No Man's Land to Britain in 1861, and from 1862 approximately 3 000 of Adam Kok's Griquas were settled within this area. In 1875 the whole Griqualand East district came under control of the Cape Government. The territory was formally annexed in 1879 and became part of the Cape Colony. White settlers entered the area for the first time from 1880 onwards.

The report of the Steyn Committee investigating the feasibility of incorporating Griqualand East into Natal concluded in October 1976 that Transkei's claim to Griqualand East is "without any factual foundation or justification",

as the area "has clearly never been a Bantu tribal territory and for the past 115 years it has been an area of Griqua, Coloured and white settlement...". This finding could be queried in view of census reports over the past seven decades, i.e. since 1904. Census data indicates that 13 941 blacks (2 646 whites, 2 652 Coloureds) were resident in Griqualand East (Matatiele and Mount Currie districts) in 1904. By 1936 these numbers had increased to 26 532 blacks (5 378 whites, 3 598 Coloureds) and by 1960 to 30 515 blacks (5 229 whites, 4 308 Coloureds). According to the latest available population census of 1970 there were 34 356 blacks in the area, as compared to 5 359 whites and 4 427 Coloureds. Census maps indicated that 27 571 of the total number of blacks are Xhosa-speaking and only 788 are Zulu.

Whatever the merits of each competing claimant's case may be: it must readily be conceded that a considerable portion of black-occupied land in all probability and in various ways became alienated from the original owners during the last century. The addition of land to the homelands in terms of the Bantu Trust and Land Act of 1936 perhaps does not fully compensate for this. At present the Government still refuses to exceed the allocation of land in terms of the 1936 legislation, and this attitude can contribute little to the amicable settlement of the various disputes over land claims that will undoubtedly arise in future.

Transkei's action in resorting to the severance of diplomatic relations was, however, hasty and rash, and indicates lack of experience in interstate relations. All the implications of this far-reaching step have apparently not been fully considered. Short of resorting to force, severance of diplomatic relations is the most severe action any state can take against another in international political relations. In the normal course of events, one state initially institutes preliminary measures against the other, e.g. termination of cultural, economic, technical and other agreements, before resorting to the drastic and extreme action of severing diplomatic relations (cf. Somalia's termination of the friendship and co-operation treaty with the Soviet Union and the severance of all ties except diplomatic relations).

Transkei's position is, of course, made extremely difficult by its high degree of dependence on South Africa. For this very reason it could simply not afford to cancel existing economic, financial and administrative agreements and arrangements. In the 1977/78 financial year, Transkei received at least R125 million in direct financial transfers from the Republic to balance its budget. In addition, there are 800-900 South African public servants in that country; they have been seconded to Transkei and their salaries are paid by South Africa. Furthermore, there are almost 327 000 Transkeian migrant labourers working in the Republic (who earn roughly R300 million annually in wages), as well as 1,5 million resident Xhosa-speaking people (of whom Transkei regards only 30-40 percent as its citizens, i.e. those who identify with Transkei and are prepared to apply for Transkei citizenship).

The dispute over land between Transkei and South Africa was probably brought to a head by the official transfer of the disputed Griqualand East (the Matatiele and Mount Currie districts) from the Cape Province to Natal as from 1 April 1978, and the proclamation to this effect in the South African Government Gazette on 24 March 1978. (This arrangement has become essential for administrative reasons due to the independence of Transkei and the consequent separation of this area from the rest of the Cape Province.) The Government of Transkei must have interpreted this as rejection of its claim to the area despite "new facts and documents" that had been submitted to the South African

Government, and which had remained unanswered as yet. It could perhaps be argued that South Africa did display a certain lack of sensitivity towards the feelings of Transkei in this matter.

In general, Transkei's action is interpreted in South Africa as an attempt to obtain international recognition and allay certain internal political problems. If these actually played a role, it was at most peripheral. Both assumptions tend to over-simplify an extremely complex situation, and therefore do not hold water. The question of internal political problems could be disposed of by pointing out that the Prime Minister and his ruling TNIP are not in the least jeopardized by the break-away of certain East Pondo members. Dr. Matanzima still controls 128 of the 150 seats in the Transkei National Assembly.

Naturally international recognition does have special significance for Transkei, but it does not seem to be of cardinal importance. The new state did not, in fact, expect immediate recognition after independence, and spectacular developments are not foreseen in this area in the immediate future. If recognition is not forthcoming Transkei will not be discouraged, and the vital development task in the agricultural and industrial spheres will continue: it is clear that Transkei regards this as being of paramount importance.

Unofficially, certain African states - like Liberia and Sierra Leone - are favourably disposed towards Transkei, but the blanket decision of the OAU that rejects its independence deters their recognition. However, Transkei does not intend bringing about dissension within the ranks of the OAU, and therefore aims at general acceptance in preference to individual recognition by a few states.

In the four years prior to independence Transkei's land claims focussed almost exclusively on disputed territory, including the districts of Elliot, Maclear, Matatiele and Mount Currie, as well as the towns of Umzimkulu and Port St Johns. However, when the final boundaries which would apply with independence were announced, it was clear that Dr. Matanzima had made little progress on the question of disputed land during the negotiations for independence. The only substantial additions to Transkei territory were the towns of Port St Johns and Umzimkulu, and the Matatiele enclave (Ongeluksnek), that is surrounded by the Matatiele and Mount Fletcher districts of Transkei as well as Lesotho. Transkei did, however, receive a territorial bonus in the form of the Glen Grey and Herschel districts that were excised from the Ciskei and included in Transkei.

In September 1976, Dr. Matanzima signed a wide variety of independence agreements with South Africa on the basis of a Transkei minus most of the disputed areas, but plus the erstwhile Ciskei territories of Glen Grey and Herschel. The motion in favour of independence submitted to the Transkei Legislative Assembly did, however, include the important proviso that the acceptance of independence would not prejudice the country's claims to the disputed territories.

Due to the dissimilar, in fact divergent, philosophical viewpoints of Transkei and South Africa, the whole question of land (as well as certain aspects like citizenship) is extremely difficult to adjudicate. Traditionally, blacks regard land and its control as a source of power and status. Land has a strong religious significance in a cultural sense as well - it accommodates the graves of their ancestors - and this inevitably lends considerable emotional content to

the issue. Whites - the Afrikaner in particular - have equally strong traditional ties to the land.

Transkei has never been satisfied with the consolidation of its territory and this "has in fact always been the most serious problem in relations with South Africa". It regards the land issue as a test for the credibility of the Republic's policy of granting self-determination to the black nations of South Africa. The 1936 legislation on the allocation of land to blacks, however, still remains an obstacle to "the equitable division of land, in order to give credibility to separate black freedoms. Transkei will therefore continue to insist on the proper consolidation of its territory".

Prime Minister Vorster, on the other hand, stated in the course of the discussion of his budget vote in Parliament that South Africa "has done everything it has undertaken to do" as regards the land question. He admitted that the land issue had dominated negotiations before Transkei's independence - "it will always be like this and there will always be problems about it".

If South Africa assumed after the transfer of the Herschel and Glen Grey districts, and the towns of Umzimkulu and Port St Johns that Transkei's land claims had been dispensed with, and Umtata in turn accepted that negotiations with Pretoria could be resumed after independence, this merely indicates that both governments were guilty of considerable naiveté regarding each other's true position on the land issue. Ironically enough, both misconceptions leave Transkei on the losing side.

The reaction of the South African Prime Minister to Transkei's action has been encouraging in the sense that it was correct and restrained in handling a thorny problem that could easily have assumed more serious proportions. The danger in situations of this kind is that rhetoric and recrimination merely arouse unrestrained emotions to the eventual detriment of all parties concerned - and produce neither positive nor constructive results.

South Africa has rejected Transkei's claim to Griqualand East on strictly juridical grounds: according to international law territorial sovereignty obtained by cession and annexation is irrefutably confirmed. Chief Faku's cession of the disputed territory to the British Government in 1861, and the area's subsequent annexation and inclusion in the Cape Colony in 1879, by succession caused all sovereign rights to pass to the Union of South Africa in 1910 (and after 1961 to the Republic of South Africa).

Whatever the legal position, and perhaps South Africa places exaggerated juridical emphasis on its handling of inter-state relations: had the South African Government wished to lend credibility to its policy that must result in separate freedoms, it could have been magnanimous enough to negotiate a settlement of the land issue prior to independence. Serious warning must be issued against the idea that apparently prevails in Government circles, i.e. that land transfers may still take place after homelands have become independent, as circumstances may change. This modus operandi looks too much like evasion tactics, and can only detract from that degree of credibility that the homeland policy as a whole still retains. This approach is bound to result in confrontation - as in the case of Transkei - and involve the Republic in international disputes which could eventually find their way to the International Court of Justice.

Fragmentation of Transkei into three separate territories is extremely undesirable from the viewpoint of overall planning and development, and creates enormous problems in the field of effective administration, and the provision of required infrastructure. Rational consolidation of homeland territories - as far as possible - and adequate economic development of core areas in the homelands should consequently be the South African Government's main priorities. Only this could give the homeland policy maximum credibility. South Africa should therefore afford Transkei's claim to Griqualand East serious consideration, if only in view of the consolidation issue.

South Africa's overall policy in the Southern African context has undoubtedly received a considerable setback due to the severance of diplomatic relations between Umtata and Pretoria. This is bound to hamper future co-operation with the black states of the sub-continent. It has also cast serious reflection on the viability of the overall policy pursued at present with regard to the emancipation and independence of the black nations of South Africa.

On the other hand, economic development is vital to Transkei, and it will be regrettable if its Government's action results in a deteriorating economic climate in that country. Transkei may find it more difficult to obtain the investment capital it so badly needs, if the confidence of foreign investors has been shocked. The traditionally conservative international investor is not inclined to risk scarce investment capital, and political instability is certainly not conducive to a sound economic climate.

In the past, Dr. Matanzima has often been accused from various quarters of merely being a puppet of the South African Government. It now seems, however, that he has in fact used the policy of separate development as a stepping-stone to further black nationalism. White (Afrikaner) nationalism may find it increasingly difficult to cope with this rising tide of black nationalism in years to come. This nationalism might be somewhat amorphous at this stage, as it is still in need of being cast in a definite mould - hence actions that are not always in accordance with convention.