

SOUTH AFRICA ECONOMIC
RESEARCH AND TRAINING
PROJECT



A POLICY WORKSHOP
"TOWARDS A NEW AGRARIAN
DEMOCRATIC ORDER"

organised in collaboration with
the Agricultural University of Wageningen
in the Netherlands

Wageningen, 12th - 14th NOVEMBER 1989

SAERT WORKSHOP: TOWARDS A NEW AGRARIAN DEMOCRATIC ORDER
WAGENINGEN, 12 - 14 NOVEMBER 1989

CONTENTS

- Papers

1. Theory of the agrarian question

- Ian Goldin Economic aspects of agriculture and transformation
Richard Levin The agrarian question and the emergence of conflicting agrarian strategies in South Africa

2. Rural social structure: case studies

- Fred Hendricks Displaced proletarians in the Transkei
Chris de Wet,
Murray Leibbrandt Land reform and regional economy: A Ciskeian case study
Clive Poultney Overcoming apartheid legacy in Maputaland, Northern Natal

3. Strategies and policy implications for rural transformation: case studies

- Aninka Claasens Rural land struggles in the 1980's and their implications for a future land redistribution
Dick Cloete Organising for rural development: Cooperative organisation in the Bantustans

4. Gender issues in agriculture/Labour

- C. Safilios-Rothschild Gender Issues in Agriculture: Lessons learned from Sub-Saharan African Countries
Johan Hamman
(George Nene,
I. Pereira) Working for a house: the land question in the Western Cape

5. Comparative studies

- Gavin Williams Land and freedom: rural agricultural development in South Africa, Kenya and Nigeria
Haroub Othman Reflections on the land issue in Tanzania
Sam Moyo The Zimbabweanisation of Southern Africa's agrarian question: lessons or domino strategems

6. Strategies and policy implications for rural transformation

- Khosi Gcabashe,
Alan Mabin Views of a number of organisations on the
land question
- Masipulah Mbongwa Nationalisation of the land: prospects for
post-apartheid South Africa
- Jan Douwe van der
Ploeg Grassroot democracy and agrarian development
- Helena Dolny Ownership and redivision of land in a united,
non-racial, democratic South Africa
- Tessa Marcus Some central considerations about land reform
in the national democratic revolution
- Reginald H. Green Possible roles of post-apartheid agriculture
and implications on policy and resource needs

7. Perspectives

- Zola Skweyiya Towards the solution of the land question in
post -apartheid South Africa: problems and
models

8. Research Survey

- Paul Daphne Reform or transformation: a review of some
current debates on the land question

- Additional contributions

- Prince Mcwayizeni
- Israel Ka Solomon The emergence of the Congress of Traditional
Leaders of South Africa (CONTRALESA)
- B. H. Bijsterbosch Opening address on behalf of the Wageningen
Agricultural University Executive Board
- Seretse Choabi Closing address on behalf of the African
National Congress

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Reginald Herbold Green

Possible Roles of post-apartheid Agriculture and
Implications on Policy and Resource Needs

A POSSIBLE STRATEGY FOR LAND AND AGRICULTURE IN POST APARTHEID SOUTH AFRICA:
Plus Some Policy and Resource Allocation Needs

By Reginald Herbold Green

Let the mountains bear prosperity for the people;
and the hills.....

- Psalm 72

To will an end is to will a means.

- Mao Tse Tung

The Rural Land Question

Land questions rooted in a history of land theft can never be addressed effectively if only economic production and cost efficiency analysis are analysed. Even if distributional issues are incorporated the results are still likely to abstract from political, social and even macroeconomic reality.

Land has social and cultural significance beyond its purely economic roles. Even if this significance may in part be archaic and even non-functional, it is a fact which cannot safely or humanely be ignored. South African black societies (like pre-1960s Afrikaner society) turned on access to land, uses of land and the spiritual - normative - political roles of land. To a considerable extent - judging by survey and less systematic evidence - black South Africans still attach a social and cultural value to land in addition to or interacting with its more narrowly defined economic uses. This fact is not unique to South Africa or Sub-Saharan Africa or the South. The rural way of life - and values both flowing from and leading into it - was dominant in Europe and North America into the present century and is by no means totally ended today.

In South Africa (as in Namibia and settler colonies) history reinforces social and cultural land hunger. Conquest led to and was to a substantial extent a means to achieve land theft. Black Africans were dispossessed to clear land for white farmers/ranchers. In South Africa this process is by no means a matter of dim memories with little emotional power. There may be no Musotho alive today who personally lived through the Gun Wars but their memory is alive, powerful and linked (by no means irrationally) to Lesotho's present land access and land degradation problems. While less far reaching in terms of hectares the land theft process is, in any event, not a long past phase but a continuing reality. Land is a political symbol and the reversal of land theft a goal for many black South Africans.

Land is seen as a source of security. It is something abiding to go back to and to pass on as an element in continuity to future generations. This security motivation is partly social (to be in a known, ordered, home society following disasters elsewhere or on retirement), partly residential (a place of one's own to live now and/or later) and partly livelihood (at least growing or herding part or most of one's own food).

These factors apply to urban as well as to rural land. In particular, the residential and some aspects of the social one may be just as crucial in urban areas (especially in view of the history of shunting black South Africans about as if they were herds of domestic animals or environmental assets/liabilities not people with homes and communities). The urban land question is outside the scope of this paper but needs to be flagged as a key factor in respect to urban policy.

Economic Aspects and Problematics

But to argue the importance of non-economic or quasi-economic (e.g. security) considerations is not to assert that rural land is economically trivial now or in the future. This is particularly true in the context of post-apartheid South Africa. The fact that a healthy black household farming sector (however titled, e.g. peasant, smallholder family farmer) does not exist outside a few pockets does not mean that helping such a sector re-emerge is necessarily uneconomic or undesirable.

One consideration is income or livelihood. There will not in this century be adequate employment/self-employment opportunities in urban South Africa for the entire population. Doubtless both the ending of apartheid's access restricting weltanschauung and structures will (not least by reuniting families) raise the urban proportion of population and actually reduce rural residents. Equally certainly over time economic advance will reduce the rural and increase the urban proportion of population albeit at first this might be consistent with an absolute rise in the number of rural residents.

If 30% of black South Africans cannot secure decent incomes in urban areas for economic structural reasons unassociated with apartheid there is a good deal to be said if they voluntarily remain in rural areas. The present 'bantustan' and 'homeland' patterns are not an acceptable model. Their three main sources of income are, a) 'bantustan'/'homeland' salaries; b) remittances; c) pensions.

Certainly public services are likely to remain a significant source of employment and income in rural areas (even if in a transformed way) but they are hardly a practicable or desirable dominant income source. With reuniting of families remittance incomes are likely to fall substantially. The present "pension culture" does ensure survival for many households but in a perverse way - income arises when one is too old or infirm to work and has to subsidise those who wish to be productively employed/self-employed but have no access to earning incomes for themselves and their pre-working age dependents. That is hardly the proper role of pensions.

Most of the present areas allocated to black South Africans have limited agricultural livelihood potential albeit in some, e.g. Venda, Transkei, Qua Zulu, part of Ciskei and Bophutatswana it is not negligible. But to state the problem in those terms is more than somewhat implausible. "Bantustans" are not plausible local government, agricultural development or any other operational delimitation areas except in the context of apartheid. Nor is the present balance of land allocation (or any land allocation system keyed to colour) a plausible working assumption in respect to post-apartheid agriculture.

As a working guess 15% to 30% of black South African households could earn basic needs/absolute poverty escape incomes in small scale agriculture

assuming land reform programmes concentrating (largely but not exclusively) on uneconomic, small scale white farms plus present 'black land'. Of those estates suitable for cooperative/smallholder production with processing plus a care estate were transformed the per cent might rise to 20% to 30% but largely by substituting self-employment for plantation wage employment.³ These figures are approximate and urgently need articulation from the bottom up, i.e. district by district potential. For what it is worth the Zimbabweans now able to earn cash and household provisioning incomes above urban minimum wage levels with surprisingly limited land transfers (versus perhaps 5% before independence).

But the Zimbabwe case also demonstrates that land reform is not enough (indeed to date it has not even ^{been} key albeit if the number of economically viable small family farming households is to rise much above its present 20% to 25% total of all agricultural households land transfers will become increasingly central). Access to systems of knowledge extension, input supply, crop marketing and credit have been the key elements behind the explosion in (20% to 25% of all) black farmer incomes.

A second element has also emerged - many households given the option wish to keep one foot (usually male) in the cities and one (usually female) on the land. Further many want a home plot to retire to for residential and gardening rather than livelihood purposes. Models ignoring these factors have had problems - only somewhat reduced by accepting reality and ignoring regulations.

Whether 15% to 30% of black South Africans wish to earn their livelihood in rural areas and with a substantial agricultural component in that livelihood is unclear albeit fragmentary evidence suggests the answer is probably a qualified yes. Certainly surveys do indicate positive interest in becoming farmers among rural black South Africans. What package of basic services (to reduce the inhospitality of the rural versus the urban environment), of support for production and its realisation and of self-provisioning plus cash sale income levels would be needed to turn somewhat hypothetical positive answers into a genuine choice to stay and commitment to succeed is not clear and needs further inquiry and dialogue. Clearly 15% to 30% cannot be achieved in post-apartheid South Africa by influx control. Nor should it be achieved by immiserisation of failed marginal migrants who cannot get a foothold in the urban economy. That can - and in the absence of effective

rural transformation very well may - happen but will be humanly, socially and politically costly to the extent that it does.

Rural livelihoods - when satisfactory - usually include substantial non-agricultural components for a majority or substantial minority of households. These include permanent wage incomes of some household members, seasonal (often in large scale agriculture) and temporary (often in construction) wage incomes of others, remittances from "extended family" members outside the household, food processing, commerce and craft production. A healthy family farming sector in post-apartheid South Africa will need augmented income flows from most of these sources - not just from self-provisioning and commercialised crop and animal production. Building them up is part of the more general strategy for non-agricultural selective informal sector development (including removal of state barriers as well as empowering through better access to knowledge, skills fixed and working capital and markets) and of labour intensive (employment generating) approaches to small scale infrastructural and production investment projects (in the public and private sectors). They do not turn directly on land allocation and use rights nor, necessarily, on agricultural policy but without them land reform and agricultural reconstruction will at best, achieve less than their full potential.

A related pair of considerations turn on food security/food supply.² At the macro output level South Africa after apartheid runs a risk of running into a food deficit or a food export decline situation. If there is progress toward higher real black South African incomes and lower black South African under or malnutrition (both clearly general post-apartheid goals) the domestic effective demand for food will rise. At the same time without re-establishing the black family farm sector (or in more consistent terminology black family farming households) there is a real probability of a decline in outputs. Up to two-thirds of white farms are not viable on their present size - technology - wage - price parameters. Presumptively (black) rural wages will rise and the animal spirits of marginal white farmers (arguably the backbone of the CP vote) fall. In drought years supply could well be significantly below domestic demand and even in good, only equal to domestic demand plus inter-year reserve replenishment. A post-apartheid South Africa will be operating subject to foreign exchange constraints and can ill afford to see food exports trend toward zero or even (with net imports) negative levels.

At household level a second food security aspect arises if it is accepted - as almost any technico economic calculation suggests it must be - that urban waged and self-employed livelihoods³ cannot provide incomes above the poverty line for a significant proportion of all households. If they are in urban or rural pseudo (very low productivity/income) employment or unemployment they will not have food security. Transfer payments by the state at basic household needs levels are not going to be practicable for - say - 10% or more of households on top of age and disability pensioners.⁴ The only apparent route to household food security for many black South African households (as for a majority of all South households) lies in producing food for self-provisioning plus agricultural (whether commercialised food or industrial inputs) and "rural informal" cash income generation. That the numbers in this position should and probably will shrink over time if economic productivity and social development advance is true but no reason to skimp attention to the households who will be in that position during at least the first two decades of South Africa's post-apartheid history.

Policy/Resource Implications

Neither land reform nor rural livelihood transformation will come about by themselves. Nor can small group initiatives and enthusiasm be enough - crucial as they can be within more holistic frameworks. The approach sketched above will require scarce resources and in particular research, strategy and policy designing and decision taking, institutional devising and operation, building up a network of black rural organisations and voices involved in and exerting pressure on behalf of their own agricultural interests. These may well be scarcer than financial resources or even the import content of small scale farming and rural service transformation.¹

Land reform⁵ has collection, distribution and land tenure aspects. Probably state land plus abandoned or eager seller white farms will provide a very substantial supply. Only plantation to core plus co-op/smallholder complex development is at all likely to require significant compulsory acquisition.

Indeed one reason for a small farming household development approach is that in its absence large areas of abandoned land may emerge. State operation is

unlikely to be satisfactory and even if is, will be a dubious diversion of scarce resources. Random influx ('squatters') in the absence of land reform and a systematic sectoral strategy/institution frame is unlikely to be very efficient in respect to household incomes or macro output.

Distribution - within the assumptions of this paper - would be to households wishing to become family farmers (almost totally black in practice).

Criteria for acceptance and size of allocations would need to be articulated on social and technical considerations. Zimbabwean experience suggests that it may not be desirable to require all adult household members to live on the farm and even more strongly that cultural and institutional biases against registering land use rights in women's (including married women's names) should be ended.⁶

A special case probably exists for allocation of building plots plus gardens (in the agricultural not the decorative sense). The security and retirement bases for such a policy were noted earlier. How to operate it in a context of newly acquired land and of households with no recent rural links to the area in which they sought such a right would require careful examination and discussion.

Land tenure is often discussed in a freehold/leasehold dichotomy which may cause intermediate socially and economically efficient solutions to be overlooked. The social and cultural reasons for seeking land do imply a concern with maintaining at least plot and garden access while only occasionally resident and of heritability of land use rights. These are quite compatible with community or state land ownership and allocation of user rights on specified conditions as to use and transfer. Not entirely incidentally that is a modern adaptation of many historic African land tenure systems. The regulations can include not allowing division into non-economic units on transfer at death. Freehold tenure has no great advantages - except for raising capital by servicing loans on land or land use rights and enabling an "up and coming" farmer to buy out his (or occasionally her) neighbours. It is, in practice inferior in providing security. In principle a compromise allowing community revocation and resale (to a small farming household) in extreme debt cases would be possible but may not be practicable consistent with reasonable security of use.

In immediate post-apartheid South Africa such a regulated use tenure system could have a significant side benefit. Many white farms are abused (ecologically) or under-used (high proportion unused and/or not adequately used). Revocation of land use rights could deter or limit ecological damage and lead to agreed transfer of land use rights to unused portions of farms, fuller use of (and employment on) the land or acquisition for reallocation by revocation.⁷

Access to and security on land are necessary conditions for the growth of small family farming. They are not sufficient. An environment comprising both agricultural services (broadly defined) and rural services is also needed.

Agricultural Services

The basic agriculture service is effective provision of access to relevant, tested, cost efficient, user friendly knowledge. That comprises research, field testing (both including learning from best used small farmer practices, adaptations and desires) as well as extension (viewed as a cross between adult education and a library rather than as a routine administration and direction process). To some extent universal access to South Africa's not inconsiderable present systems - now de facto accessible only to white farmers - would contribute to providing this service to black family farmers. How far is not clear - Zimbabwe suggests surprisingly far even when the starting point for the new clients/users is sub-subsistence 'reserve' ground scratching or small stock herding. But adaptation is needed because crops, techniques, friendly (in the sense of readily useable) packages of activities and economic viability are influenced by farm size and by educational and other asset access of the farmers.⁸ It should be noted that problems arising from farm size, asset structure and access to labour power will not be solved only by having more black researchers and extension personnel because they have technical as well as cultural content and because professional culture (black or white) is not identical to and usually poses comprehension and communication problems with small farmer cultures (white or black).

Knowledge is useable only in conjunction with access to land and to other physical or institutional inputs. These include relevant inputs at

convenient locations, appropriate times and efficient (to farmer viability) prices. Except - at the margin and in initial years - for the last, market approaches (small rural businesses, producer serving co-ops, input supply chains) are likely to provide inputs rather better than administrative or state monopoly corporate ones, once a demonstrated market exists. Until it does the choice is between quasi statal systems (perhaps piggy-backed on extension) or providing incentives to private/co-op enterprises to "try the water".

Market access - again with location, timing and price components - is even more crucial than input. As in Zimbabwe, effective opening of present channels and institutions to black farmers bolstered by local private businesses and co-ops should provide the bulk of that access. Special black farmer institutions and channels (beyond help to co-ops for marketing and input supply when the farmers actually desire to develop them and are likely to be able to hold their managers to account).

Capital access is important in the context of knowledge, land, input and market access; otherwise it is either ineffective or even counterproductive. For small farmers a specialised credit or credit guarantee (and perhaps under defined circumstances initial and natural disaster years interest subsidy) body is likely to be needed. Again Zimbabwe experience suggests that non-racial access to existing farm credit institutions plus their staffs reorienting themselves to serving a new, economically smaller, less financially sophisticated body of customers (which most staff did surprisingly quickly and effectively) will meet the needs of a substantial body of emergent family farmers.

Consideration should be given to drought, insect plague, and food insurance schemes - whether fully funded from the farming sector as a whole or not. Emergent farmers can be wiped out with no chance of clawback if one or¹ - especially two - bad years come early in their livelihood building. Some form of insurance to cover lost input loans and reschedule (with lost year interest writeoff or reduction) fixed investment loans would be economically as well as socially and politically prudent.

An Aside - Ecology and Water

Two related issues are ecology (conservation/reclamation) and water. Both present 'black land' and many of the small white farms likely to be redistributed if the small family farming sector is transformed have been subjected to ecological abuse and are in urgent need of conservation or reclamation.

Conservation measures are unlikely to be feasible under present population and land use patterns. By the same token reclamation would tend to have only transitory results. 'Black land' is - with few exceptions - either overworked or left semi-derelict. The former and much of the latter results from need - need for present income augmentation or cost reduction to survive now even at the price of erosion (literal and figurative) of future productive potential. The small white farms' deterioration is in large part also the result of need - to meet financial commitments undertaken to 'upgrade' technology and capital stock as well as to maintain what the households view as acceptable consumption standards.

Family farmers usually are interested in conservation. Both personal and inter-generational security motives create a concern for land maintenance likely to be rather greater than that of a corporate proprietor. But to be able to act on that interest they need to have enough land, enough food and enough cash income (agricultural or other) to afford to conserve for the future without causing present penury. They also need user friendly, accurate advice/knowledge because historic African systems (even if clearly remembered) related to quite different population/land ratio and cropped/fallow or regeneration time ratio contexts than can be expected to pertain over the next two decades (or than would be consistent with meeting national food and industrial input crop and livestock demand).

Reclamation is, in terms of small farmer response, analogous to conservation. If it is so organised as to threaten his/her livelihood it will be resisted and if perceived as irrelevant ignored. Content and presentation both matter. For example, village "woodlot" reforestation needs to make limited calls on present cropped land, to include economic trees (i.e. tree crops) as well as fuelwood and to have interim payoffs in

fruits or fodder. thinnings or trimmings soon after establishment and these benefits (as well as the costs of attaining in terms of labour and agricultural practices) need to be clear to those expected to support, let alone make labour contributions to, the project.

Small scale reclamation is suitable for community management and can often mobilise substantial community resources (usually labour). It can also (or partly alternatively) be used to build up supplementary employment in areas in which rural informal incomes and off-farm employment are hard to develop.

South Africa is water short and will become more so. Present policies are unsustainable and/or unsound regionally, by region within South Africa and among users.

Regionally the lack of respect for downstream user rights in Swaziland, Mozambique and Namibia may be a plausible aspect of the "total strategy". It would not seem consistent with a good neighbour policy on the part of post-apartheid South Africa.

By geographic region the P-W-V triangle and the Northwest Cape (Upington District) appear to have been favoured for divergent political and quasi-economic reasons not necessarily fully relevant to post-apartheid South Africa. In the case of the Northwest Cape acceptance of Namibia's Orange River water rights will create a medium term PWV-NWC conflict as if nearly all RSA's rights are to be diverted near source to PWV, then allowable downstream drawings for the Upington area will be severely constrained.

Among users large white farmers have been favoured as to allocation shares, price and non-existence or non-enforcement of water conservation (best use) regulations. The national output and employment costs of this policy are already substantial in respect to water system collection and distribution capital plus recurrent cost burden. These costs will rise and absolute unavailability for some uses is likely to be added to them by 2000 unless greatly enhanced economy in (productivity of) water use is achieved.

The need for an objective (as to social, political, sanitation and amenity as well as economic considerations) evaluation of water collection and use alternatives over 1990-2015 (and 2015-2040) with clear indications of tradeoffs is clearcut. The implications for small family farming are not.

Clearly, allocating no irrigation water to this subsector would not be socially or economically rational. Some areas - e.g. in Venda - are potentially high productivity with irrigation and not really viable without. In some crops and uses small scale agriculture can use water more efficiently/productively than large. Security allocation formulae (to reduce drought losses) should probably allocate a larger share to small farmers than they receive in normal years on the basis that they cannot afford severe shortfalls in output which a larger farming enterprise could weather.

But equally clearly not all agricultural land in South Africa can ever be irrigated. The tradeoff between large and small farms needs to take production as well as social efficiency into account. Further, some regulations on use and some enforcement of those regulations will be necessary if the new policy is not to develop a small farming sub-sector leak analogous to the present one for the large farm sector.

Rural Services : Human Condition and Productivity

Directly agricultural services are not the only priority ones - indeed in human and political terms basic education, health, pure water services probably rank higher. Without them the rural to urban exodus will tend to exceed the growth in adequate productivity/income employment plus self-employment in urban areas. Access to these services is so central to improving their human condition for poor rural or quasi-urban (rural slum) residents that without speedy, marked, visible improvement many will not be willing to stay to see whether they could build up modest but above absolute poverty livelihoods.

In any case the debate should be over balance not either/or and not even productive versus human condition. Education is potentially v3very productive indeed. Adult education can have productivity payoffs (not limited to formal skills training or to laying a base for effective use of extension services) in the short as well as the medium run. People who are malnourished, weak and often ill, cannot work long, hard or productively. The women who must tend them and take them to clinics or other health service points cannot use time so consumed to raise household self-

provisioning or cash income. Collecting, often contaminated, water from distant points can eat up 3 to 5 hours a day for women and girls as well as reducing cleansing and sanitation below desirable and user desired levels.

The costs of universal access to primary and adult education to primary health care and to pure drinking water (within 1 kilometre for schools, 2 to 5 for primary health posts and 500 metres for taps) is not beyond a middle income country's resources. \$5 a person per year can cover PHC and perhaps - for South Africa - 1% of GDP the recurrent and replacement capital costs of all three.⁹

The issue of fees and charges for such services has become ideologically loaded, inefficient in attention and personnel resources engrossed by debate and attempted implementation and ultimately sterile. Universal access cannot be achieved for a population group with as many very poor households as among rural black South Africans unless 25% to 40% have all fees waived and another quarter pay fees averaging a small proportion of cost. Subject to that constraint simple systems can work - e.g. Zimbabwe's exemption up to twice minimum wage, limited fees related to being treated (not to cost of particular treatment), higher charges for specialist and tertiary services (in fact largely accessible only to above average income urban residents whether feed or not) and full cost for amenity room and board. Analogues are possible in education. But with good luck and good administration these will yield perhaps 1% of total recurrent budget needs - perhaps R 0.50 on a pack of cigarettes or R 0.25 on a bottle of beer.

Water can be different. If many users buy water or if many women could earn in time now claimed by water collection, community keyed and organised (e.g. via user committees) funds to raise (on any basis acceptable to the users) cash to cover maintenance/operation costs and labour to do routine cleaning/maintenance costs may well be practicable. The points about community organisation of collection and in kind (labour, food etc.) contributions are valid for health and education as well. Rigid control fee structures do not fit local rural possibilities and limits, while collecting (literally) tens of millions of R 0.50 to R 2.50 fees and charges scattered throughout rural South Africa is a Treasury administrator's nightmare.¹⁰

Fuel, housing transport are not basic services per se - or at least not ones which can be provided by the state or community at no or minimal income

economies. But they are central to human condition improvement and there are state roles even if articulating them requires far more detailed research and analysis than has been done to date.

Woodfuel scarcity and cost (in time and/or money) of collection are rising in rural South Africa. At the same time over-collection has destroyed the traditional system of dead trees, branches first, trimmings next, live bushes or trees only in emergency. The result is ecological havoc.

Three routes are practicable. The fashionable one of improved stoves and braziers to reduce use and improved charcoal kilns to reduce wood/charcoal ratio are worth testing. If they are viable they can provide some easing of the fuel constraint and some additions to informal sector incomes. The 'easy' route is via kerosine and coal (plus cheap improved coal stoves). This route can have high potential if, and only if, and to the extent that, rural household cash incomes are rising and the labour used in fuel collection has an appreciable perceived opportunity cost in terms of household food production or cash generating activities foregone.

The third route is woodlot development including household village, small commercial. Given proper research and extension on suitable tree and bush varieties (including fodder and food as well as fuel and simple construction produce) and planting patterns plus actual (possibly free until demonstrated gains create a willingness to pay) access to seedlings, this route is likely to have substantial household and community support. It will also create new full time or supplementary income opportunities in fuelwood and pole production and in charcoal processing - for rural or urban markets. The ecological gains can include halting - or at least slowing - the cancerous spread of erosion and neo-desertification and - with community or bloc organised individual plant wooded areas - clawback against existing ecological degradation.

Housing in rural areas in South Africa is very variable as to quality but generally poor to bad. One cause is low incomes and another limited and high cost traditional materials. However, a third is knowledge. Serious research on adapted historic designs and materials linked to assisting village or small business production initiatives (from poles and beams through bricks and tiles to doors and window frames) can have significant impact in a context of rising rural cash incomes. The knowledge (via an

extension service) should be provided free and initial learning/demonstrating subsidies to early material production units. Loans (in kind?) of basic non-rural construction needs (e.g. GCI sheet?) may also be appropriate as - if demand exists out of rising cash incomes - would be training of craftsmen seeking to learn to manage "fundi" (skilled craftsmen led semi-skilled building team contracting with and overseen by prospective owner) building teams.

Rural transport can be operated by the small scale private and co-op sectors. Beyond its economic value (input and consumer goods in/crops and livestock out) it clearly is perceived by many rural Africans as making a significant human condition contribution by ending isolation. If rural cash incomes rise so will transport provision. However, given the social and spread effect economic gains, a case for selective initial and/or low population density route subsidies does exist if roughly accurate, simple cost/benefit formulas for identifying routes, setting levels and ensuring prompt but proper distribution can be devised.

Non-Agricultural Incomes

Historically (in Mediaeval/Europe as in 20th Century Sub-Saharan Africa) successful small farm households have combined agricultural and non-agricultural incomes. These have included agricultural output related ones, e.g. food processing, hides tanning, calabash clay and leather products as well as tree products, e.g. wood, poles and thatch, wood products, charcoal produced for non-agricultural household purchases as well as specialised services, e.g. in building, commerce, transport sold to other farming households. Wage income on other farms or in non-farm activities (especially but not only construction) have also been important in many contexts.

The impression - from less than ideal data - is that these non-agricultural earned incomes are very low for most rural black South Africans. Higher crop/livestock incomes would have a multiplier effect by providing raw materials to process and cash incomes to pay for services and product. So would removal of present de jure and de facto barriers against or constraints on the black informal sector. Assuming the potential growth

points were identified, training and tool kit provision programmes could speed the growth of the full or part time artisanal cadres.

The last point illustrates a barrier to detailed proposals which needs to be overcome. Baseline surveys on present non-farm incomes by source, markets, probable growth of markets with higher farm incomes, barriers to higher production (Training? Inputs? Access to capital? Access to non-local markets? Especially in the case of women, time?) are needed to estimate what is; what could reasonably be sought; what inputs are needed to achieve it; how they could be provided (e.g. given buyers, small businesses would probably stock tools and building materials albeit craftsmen might also form buying and selling co-ops). Such surveys require local understanding and input to design and interpretation if they are to be fully effective either in revealing information or in devising suitable subsequent programmes perceived as user friendly.

Administrative and Institutional Fragments

Purging present administrative structures of apartheid and providing genuine access to all potential users should be a significant start with considerable initial gains to many black rural South African households. Providing resources to advance to true universal access to basic services (both agricultural and other income promoting and human condition enhancing) will carry the process much further. In these areas, whatever its limitations competent traditional state provision backed by adequate resources can do a great deal. Zimbabwe is a case in point.

But traditional bureaucratic/professional structures have limitations in rural Africa (and more generally). They do not seek to learn from or to educate with (as opposed to telling and laying down the law to) users (or as they usually call them, clients). They regularly underestimate the potential of community and independent co-op bodies and/or seek to co-opt them thereby weakening them. They underestimate the uses of the household, small and medium scale private sector and fail to recognise that, e.g. state ensuring of low cost rural transport may sometimes be achieved more efficiently by defined initial or use-related subsidies to private, co-op or village operators than by state bus services. (Neo-liberals recognise some of these

weaknesses but conclude - almost certainly wrongly - that reducing state roles, not reforming or redirecting them, is the basic solution.)¹¹

The implicit agenda for research and action in the above paragraph extends well beyond small farming and related communities. But attention to and progress on it can be of special importance to them because while relatively good at delivering human condition related services to poor people even well-intentioned and relatively resource abundant states have been much less effective at assisting poor people to produce more. With the exception of veterinary protection services¹² Botswana is a case in point.

Small farming households need to be heard. That means they need to be self-organised in units (whether separate or genuinely farmer oriented sub-units of more general purpose bodies) which can make their complaints, needs and potentials known to administrative and political holders of power and resources. While local bases are needed these need to relate to each other regionally and nationally to be effective in holding higher level politicians and managers to account - and to hire specialist skills to develop proposals, pose alternatives, prove errors or problems.

This self-representational role parallels a communal self-operational role through co-ops and/or community bodies. These may be service providing and/or commercial. Whether they should be separate from (but presumably acting in cooperation with) representational bodies is probably a contextual question, i.e. different horses for different courses.

White South African farmers do have representational and operational bodies. Opening them to emergent black farmers is, however desirable, not likely to lead very far. These bodies are only moderately effective in promoting farmer interests, are very hierarchical and bureaucratic and are large farmer oriented. These factors suggest that new bodies are needed and that they are more likely to emerge from Mass Democratic Movement rural affiliates and smaller, like-minded bodies than from any takeover of existing structures or centrally (urban academic or non-farming political devised blueprint.

Resume

1. Black small scale agriculture can have a future in South Africa by providing decent livelihoods for 15% to 25% of the black households.
2. To achieve that would require land reform but the land question has both non-economic and urban aspects and should not be perceived purely in economics of small family farms terms.
3. Urban South Africa over the first two post-apartheid decades almost certainly cannot provide decent livelihoods for all South Africans. It may also face a problem of reduced food surpluses (above domestic demand) threatening export earnings.
4. Many rural resident black South Africans do express a desire to become family farmers. On the basis of what combination of achievable incomes and of access to basic services these desires would translate into actual commitments to farming as a livelihood/way of life requires further study.
5. Success at empowering the re-emergence of a dynamic black South African family farming sector requires; access to land, to knowledge; to agricultural inputs - markets - credit; to basic human condition services (primary health care, primary and adult education, pure water as well as fuel, housing transport); to non-agricultural sources of income and to self-organisation for representational and operational services.
6. Detailed articulation of how to provide access requires far more detailed knowledge - and potential family farmer input - than is presently available. But main themes and approaches can be identified. Judging by Zimbabwean experience (both positive and negative) action on these themes should be practicable and financeable in post-apartheid South Africa and should produce significant gains to many rural black South Africans in the context of a productive, dynamic family farming sector.

Notes

1. The shift to co-op or outgrower production and core estate/processing centre may well be desirable. That it nominally substitutes petty commodity producers for proletariat is less real than it appears. Parallels in Fiji and Mauritius sugar suggest productivity and grower incomes can be raised by this approach. However, there is less urgency here - trade union bargaining for wages and working condition improvements are an adequate interim strategy.
2. The focus here is on food but the same general issues arise in respect to agricultural raw materials. However, in practice small farmer production is likely to be concentrated on food crops for sale as well as for household provisioning.
3. Many urban households have a mix of formal wages (usually male), informal waged (mixed) and informal self-employed (dominantly female in numbers earning but probably not of total income).
4. In addition pensions and other consumption transfers when substituted for productive employment waste potential labour power, build up pathological social relations are not very consistent with human dignity and self-image among the recipients.
5. Land reform is used here to mean primarily measures which shift land from one user to another and secondarily ones which alter dominant tenure systems (e.g. freehold to use right). Other aspects of rural reform are treated separately.
6. This is not a problem which ending apartheid will cure. Many Southern African historic cultures are very patriarchal (including for that matter Afrikaner culture) so that equal access in respect to race can be combined with continued severe (by - say - Tanzanian standards) gender bias in land access and use rights as well as personal status (e.g. present Zimbabwe administrative practice and subsidiary legislation).
7. A tax on efficient use gross output offsettable against income tax would have the same effect of pushing farmers to use all land productively or to sell some of it at a low price. Exemption of land with an efficient use assessment of under R 10,000 would avoid the tax bearing down on emergent family farmers. This tax is a variant of the lump sum land tax frequently advocated by (usually conservative) fiscal theorists as maximising incentives to produce efficiently and at full capacity utilisation.
8. They are also influenced by the types and targeting of taxation and subsidies. What is optimal for large farms need not be appropriate for small.
9. The costs would be higher - especially for water programmes requiring boreholes or pipelines of over a kilometre - during the buildup to universal access because of the capital stock expansion required. Even so, a 1.5% to 2.0% of GDP range should allow rapid extension of access.

10. The author writes from actual practical experience with the collection problems and costs of large number, small individual collection taxes and fees. He was a senior Treasury civil servant for nine years.
11. State service design and partial cost cover with private production is especially likely to have efficiency gains if the state is short of analytical and managerial talent and has major calls on them for programmes and projects which by their nature require state operation and administration.
12. Water point and reserve grazing programmes as well as game barrier fences do have positive results but ones skewed to large herd owners.

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TOWARDS A NEW AGRARIAN DEMOCRATIC ORDER

BEYOND APARTHEID

Special Issue

A Reader on the South African Land Question

Edited and compiled by the South Africa Economic Research and Training Project
(SAERT)

Table of Contents

Editorial	1
CHAPTER I	
Rural Struggles – Strategy and Policy Implications for Transformation	
Rural Land Struggles in the Transvaal in the Eighties	5
<i>Aninka Claassens</i>	
Overcoming Apartheid's Land Legacy in Maputaland (Northern Natal)	39
<i>CORD</i>	
Land Reform And Regional Economy: A Ciskeian Case Study	51
<i>Murray Leibbrandt/Chris de Wet</i>	
A Possible Strategy for Land and Agriculture in Post-Apartheid South Africa: Plus Some Policy and Resource Allocation Needs	68
<i>Reginald H. Green</i>	
CHAPTER II	
Alternative Rural Development Models and Socio-Political Dimensions of Land Reform	
The Agrarian Question and the Emergence of Conflicting Agricultural Strategies in South Africa	85
<i>Richard Levin/Daniel Weiner</i>	
Towards the Solution of the Land Question in Post-Apartheid South Africa: Problems and Models	125
<i>Zola Skweyiya</i>	
Some Central Considerations About Land Reform in the National Democratic Revolution	145
<i>Tessa Marcus</i>	
Organising for Rural Development	153
<i>Dick Cloete</i>	
Preparing to Negotiate the Land Question:	171
<i>Alan Mabin/Makhosazane Gcabashe</i>	
Displaced Proletarians in Transkei	189
<i>Fred Hendricks</i>	
The Ownership and Redivision of Land in a United, Non-Racial, Democratic South Africa	222
<i>Helena Dolny</i>	

Reginald Herbold Green

A Possible Strategy for Land and Agriculture in Post-Apartheid South Africa: Plus Some Policy and Resource Allocation Needs

*Let the mountains bear prosperity for the people;
and the hills....*
– Psalm 72

To will an end is to will a means.
– Mao Tse Tung

The Rural Land Question

Land questions rooted in a history of land theft can never be addressed effectively if only economic production and cost efficiency analysis are analysed. Even if distributional issues are incorporated, the results are still likely to abstract from political, social and even macroeconomic reality.

Land has social and cultural significance beyond its purely economic purpose. Even if this significance may in part be archaic and even non-functional, it is a fact which cannot safely or humanely be ignored. South African black societies (like pre-1960s Afrikaner society) revolved around access to land, uses of land and the spiritual, normative and political roles of land. To a considerable extent, judging by survey and less systematic evidence, black South Africans still attach a social and cultural value to land in addition to or interacting with its more narrowly defined economic uses. This fact is not unique to South Africa or Sub-Saharan Africa or the South. The rural way of life — and values both flowing from and leading into it — was dominant in Europe and North America into the present century and is by no means totally ended today.

In South Africa (as in Namibia and settler colonies) history reinforces social and cultural land hunger. Conquest led to and was, to a substantial extent, a means to achieve land theft. Black Africans were dispossessed to clear land for white farmers/ranchers. In South Africa this process is has not faded from memory and still has emotional power. There may be no Musotho alive today who personally lived through the Gun Wars but their memories of that experience is alive, powerful and linked (by no means irrationally)

to Lesotho's present land access and land degradation problems. While less far reaching in terms of hectares the land theft process is, in any event, not a long distant phase but a continuing reality. Land is a political symbol and the reversal of land theft a goal for many black South Africans.

Land is seen as a source of security. It is something abiding to go back to and to pass on to future generations as an element of continuity. This security motivation is partly social (to be in a known, ordered, home society following disasters elsewhere or on retirement), partly residential (a place of one's own to live now and/or later) and partly livelihood (growing or herding part or most of one's own food).

These factors apply to urban as well as to rural land. In particular, the residential and some aspects of the social factor may be just as crucial in urban areas especially in view of the history of shunting black South Africans about as if they were herds of domestic animals or environmental assets/liabilities, not people with homes and communities. The urban land question is outside the scope of this paper but needs to be flagged as a key factor in urban policy.

Economic Aspects and Problematics

To argue the importance of non-economic or quasi-economic (e.g. security) considerations is not to assert that rural land is economically trivial now or in the future. This is particularly true in the context of post-apartheid South Africa. The fact that a healthy black household farming sector (however titled, e.g. peasant, smallholder family farmer) does not exist outside a few pockets does not mean that helping such a sector re-emerge is necessarily uneconomic or undesirable.

One consideration is *income or livelihood*. There will not be adequate employment and employment opportunities in urban South Africa for the entire population in the 21st century. Doubtless, both the ending of apartheid's access-restricting *weltanschauung* and structures will (not least by reuniting families) raise the urban population and acutely reduce rural residents. Equally certainly, over time, economic advance will reduce the rural and increase the urban proportions of population, in the initial period. This might be consistent with an absolute rise in the number of rural residents.

If 30% of black South Africans cannot secure decent incomes in urban areas for economic structural reasons unassociated with apartheid, then they stand to benefit a good deal if they choose to remain in rural areas. The present "bantustan" or "homeland" patterns are not an acceptable model. Their three main sources of income are, a) "bantustan"/"homeland" salaries; b) remittances; c) pensions.

Certainly the public services are likely to remain a significant source of employment and income in rural areas (even if transformed), but they are hardly a practicable or desirable dominant income source. With the reuniting of families, remittance incomes are likely to fall substantially. The present "pension culture" does ensure survival for ma-

households but, in a perverse way, income arises when one is too old or infirm to work and has to subsidise those who wish to be productively employed/self-employed but have no opportunity to earn incomes for themselves and their pre-working-age dependents. That is hardly the proper role of pensions.

Most of the present areas allocated to black South Africans have limited agricultural livelihood potential; albeit in some, e.g. Venda, Transkei, Qua Zulu, part of Ciskei and Bophutatswana, it is not negligible. But to state the problem in those terms is more than somewhat implausible. "Bantustans" are not plausible entities in terms of local government, agricultural development or any other operational delimitation other than within the context of apartheid. Nor is the present balance of land allocation (or any land allocation system keyed to colour) a plausible working assumption in respect to post-apartheid agriculture.

As a working guess 15% to 30% of black South African households could earn basic needs/absolute-poverty-escape incomes in small-scale agriculture assuming that there are land reform programmes concentrating (largely but not exclusively) on uneconomic, small-scale white farms plus present 'black land'. If those estates suitable for co-operative/smallholder production with processing plus a care estate were transformed, the percentage might rise to 20% to 30%, but largely by substituting self-employment for plantation wage employment.¹ These figures are approximate and urgently need articulation from the bottom up, i.e. district by district potential. For what it is worth, the Zimbabweans are now able to earn cash and household provisioning incomes above urban minimum wage levels with surprisingly limited land transfers (versus perhaps 5% before independence).

But the Zimbabwe case also demonstrates that land reform is not enough. Indeed to date it has not even become key, albeit if the number of economically-viable small family farming households is to rise much above its present 20% to 25% total of all agricultural households land transfers will become increasingly central. Access to systems of knowledge, extension, input supply, crop marketing and credit have been the key elements behind the explosion in (20% to 25% of all) black farmer incomes.

A second element has also emerged. Many households, given the option, wish to keep one foot (usually male) in the cities and one (usually female) on the land. Further, many want a home plot to retire to for residential and gardening rather than livelihood purposes. Models ignoring these factors have had problems — only somewhat reduced by accepting reality and ignoring regulations.

Whether 15% to 30% of black South Africans wish to earn their livelihood in rural areas, with a substantial agricultural component in that livelihood, is unclear, albeit fragmentary evidence suggests the answer is probably a qualified yes. Certainly surveys do indicate positive interest in becoming farmers among rural black South Africans. What package of basic services (to reduce the inhospitality of the rural versus the urban environment), of support for production and its realisation and of self-provisioning plus cash sale income levels, would be needed to turn somewhat hypothetical positive

answers into a genuine choice to stay and commitment to succeed, is not clear and needs further inquiry and dialogue. Clearly 15% to 30% cannot be achieved by immiserisation of failed marginal migrants who cannot get a foothold in the urban economy. That can, and, in the absence of effective rural transformation, very well may, happen but will be humanly, socially and politically costly to the extent that it does.

Rural livelihoods, when satisfactory, usually include substantial non-agricultural components for a majority or substantial minority of households. These include permanent wage incomes of some household members, seasonal (often in large scale agriculture) and temporary (often in construction) wage incomes of others, remittances from "extended family" members outside the household, food processing, commerce and craft production. A healthy family farming sector in post-apartheid South Africa will need augmented income flows from most of these sources, not just from self-provisioning and commercialised crop and animal production. Building them up is part of the more general strategy for non-agricultural selective informal sector development including removal of state barriers as well as empowerment through better access to knowledge, skills fixed and working capital and markets and of labour intensive (employment generating) approaches to small-scale infrastructural and production investment projects in the public and private sectors. They do not turn directly on land allocation and use rights nor, necessarily, on agricultural policy, but, without them, land reform and agricultural reconstruction will at best, achieve less than their full potential.

A related pair of considerations turn on *food security/food supply*.² At the macro output level, South Africa after apartheid runs a risk of running into a food deficit or a food-export decline situation. If there is progress toward higher real black South African incomes and lower black South African under-or malnutrition (both clearly general post apartheid goals) the effective domestic demand for food will rise. At the same time without re-establishing the black family farm sector (or, in more consistent, terminology black family farming households) there is a real probability of a decline in output. Up to two-thirds of white farms are not viable on their present size-technology-wage-price parameters. Presumptively (black) rural wages will rise and the animal spirits of marginal white farmers (arguably the backbone of the Conservative Party vote) fall. In drought years, supply could well be significantly below domestic demand, and even in good, only equal to domestic demand plus inter-year reserve replenishment. A post-apartheid South Africa will be operating subject to foreign exchange constraints and can ill-afford to see food exports trend toward zero or even (with net imports) negative levels.

At household level a second food security aspect arises if it is accepted — as almost any technico-economic calculation suggests it must be — that urban waged and self-employed livelihoods³ cannot provide incomes above the poverty line for a significant proportion of all households. If they are in urban or rural pseudo (very low productivity/income) employment or unemployment they will not have food security. Transfer payments by the state at basic household needs levels are not going to be practicable: for, say, 10%, or more, of household food security for many black South African households (as for a majority of all South households) lies in producing food for

self-provisioning plus agricultural (whether commercialised food or industrial inputs) and "rural informal" cash income generation. That the numbers in this position should and probably will shrink over time if economic productivity and social development advance is true, but is no reason to skimp attention to the households who will be in that position during at least the first two decades of South Africa's post-apartheid history.

Policy/Resource Implications

Neither land reform nor rural livelihood transformation will come about by themselves. Nor can small group initiatives and enthusiasm be enough — crucial as they can be within more holistic frameworks. The approach sketched above will require scarce resources and in particular research, strategy and policy design and decision making, institutional devising and operation, building up a network of black rural organisations and voices involved in, and exerting pressure on behalf of, their own agricultural interests. These may well be scarcer than financial resources or even the import content of small-scale farming and rural service transformation.

*Land reform*⁵ has collection, distribution and land tenure aspects. Probably state land plus abandoned or eager seller white farms will provide a very substantial supply. Only plantation-to-core plus co-op/smallholder-complex development is at all likely to require significant compulsory acquisition.

Indeed one reason for a small-farming household development approach is that in its absence large areas of abandoned land may emerge. State operation is unlikely to be satisfactory and, even if were, it would be a dubious diversion of scarce resources. Random influx ("squatters") in the absence of land reform and a systematic sectoral strategy/institution frame is unlikely to be very efficient in respect to household incomes or macro output.

Distribution — within the assumptions of this paper — would be to households wishing to become family farmers (almost totally black in practice). Criteria for acceptance and size of allocations would need to be articulated on social and technical considerations. Zimbabwean experience suggests that it may not be desirable to require all adult household members to live on the farm, and even more strongly that cultural and institutional biases against registering land use rights in women's (including married women's) names should be ended.⁶

A special case probably exists for allocation of building plots plus gardens (in the agricultural not the decorative sense). The security and retirement bases for such a policy were noted earlier. How to operate it in a context of newly acquired land and of households with no recent rural links to the area in which they seek such a right would require careful examination and discussion.

Land tenure is often discussed in a freehold/leasehold dichotomy which may cause intermediate socially and economically efficient solutions to be overlooked. The social

and cultural reasons for seeking land do imply a concern with maintaining at least plot and garden access while only occasionally resident and of heritability of land use rights. These are quite compatible with community or state land ownership and allocation of user rights on specified conditions as to use and transfer. Not entirely incidentally, that is a modern adaptation of many historic African land tenure systems. The regulations can include not allowing division into non-economic units on transfer at death. Freehold tenure has no great advantages — except for raising capital by servicing loans on land or land use rights and enabling an “up and coming” farmer to buy out his (or occasionally her) neighbours. It is, in practice, inferior in providing security. In principle a compromise allowing community revocation and resale (to a small farming household) in extreme debt cases would be possible but may not be practicably consistent with reasonable security of use. In immediate post-apartheid South Africa such a regulated use tenure system could have a significant side benefit. Many white farms are abused (ecologically) or under-used (high proportion unused and/or not adequately used). Revocation of land-use rights could deter or limit ecological damage and lead to agreed transfer of land-use rights to unused portions of farms, fuller use of (and employment on) the land or acquisition for reallocation by revocation.⁷

Access to, and security on, land are necessary conditions for the growth of small family farming. They are not sufficient. An environment comprising both agricultural services (broadly defined) and rural services is also needed.

Agricultural Services

The basic agriculture service is effective provision of access to relevant, tested, cost-efficient, user-friendly knowledge. That comprises research, field testing (both including learning from best used small farmer practices, adaptations and desires) as well as extension (viewed as a cross between adult education and a library rather than as a routine administration and a direction process). To some extent universal access to South Africa's not inconsiderable present systems — now *de facto* accessible only to white farmers — would contribute to providing this service to black family farmers. It is not clear how far the benefits of this access would go — Zimbabwean experience, however, suggests a considerable extent, even when the starting point for the new clients/users is sub-subsistence ‘reserve’ ground scratching, or small stock herding. But adaptation is needed because crops, techniques, friendly (in the sense of readily usable) packages of activities and economic viability are influenced by farm size and by educational and other asset access of the farmers.⁸ It should be noted that problems arising from farm size, asset structure and access to labour power will not be solved only by having more black researchers and extension personnel because they have technical as well as cultural content and because professional culture (black or white) is not identical to and usually poses comprehension and communication problems with small farmer cultures (white or black).

Knowledge is usable only in conjunction with access to land and to other physical or institutional inputs. These include relevant inputs at convenient locations, appropriate

times and efficient (to farmer viability) prices. Except — at the margin and in initial years — for the last, market approaches (small rural businesses, producer-serving co-ops, input supply chains) are likely to provide inputs rather better than administrative or state monopoly corporate ones, once a demonstrated market exists. Until it does the choice is between quasi-statal systems (perhaps piggy-backed on extension) or providing incentives to private/co-op enterprises to “try the water”.

Market access — again with location, timing and price components — is even more crucial than inputs. As in Zimbabwe, effective opening of present channels and institutions to black farmers, bolstered by local private businesses and co-ops, should provide the bulk of that access. In addition, special black farmer institutions and channels should provide access beyond help to co-ops for marketing and input supply when the farmers actually desire to develop them and are likely to be able to hold their managers to account.

Capital access is important in the context of knowledge, land, input and market access; otherwise it is either ineffective or even counterproductive. For small farmers a specialised credit or credit guarantee (and perhaps under defined circumstances initial and natural-disaster-years interest subsidy) body is likely to be needed. Again Zimbabwean experience suggests that non-racial access to existing farm credit institutions plus their staffs reorienting themselves to serving a new, economically smaller, less financially-sophisticated body of customers (which most staff did surprisingly quickly and effectively) will meet the needs of a substantial body of emergent family farmers.

Consideration should be given to drought, insect plague, and food insurance schemes — whether fully funded from the farming sector as a whole or not. Emergent farmers can be wiped out with no chance of clawback if one, or especially two, bad years come early in their livelihood building. Some form of insurance to cover lost input loans and reschedule (with lost-year interest write-off or reduction) fixed-investment loans would be economically as well as socially and politically prudent.

An Aside — Ecology and Water

Two related issues are *ecology* (conservation/reclamation) and *water*. Both present ‘black land’ and many of the small white farms likely to be redistributed if the small family farming sector is transformed have been subjected to ecological abuse and are in urgent need of conservation or reclamation.

Conservation measures are unlikely to be feasible under present population and land-use patterns. By the same token, reclamation would tend to have only transitory results. ‘Black land’ is — with few exceptions — either overworked or left semi-derelict. The former, and much of the latter, results from need — need for present income augmentation or cost reduction to survive now even at the price of erosion (literal and figurative) of future productive potential. The small white farms’ deterioration is in large part also the result of need — to meet financial commitments undertaken to “upgrade” technol-

ogy and capital stock as well as to maintain what the households view as acceptable consumption standards.

Family farmers are usually interested in conservation. Both personal and inter-generational security motives create a concern for land maintenance likely to be rather greater than that of a corporate proprietor. But to be able to act on that interest, they need to have enough land, enough food and enough cash income (agricultural or other) to afford to conserve for the future without causing present penury. They also need user-friendly, accurate advice/knowledge because historic African systems (even if clearly remembered) relate to quite different population/land ratios and cropped/fallow or regeneration-time ratio contexts than can be expected to pertain over the next two decades (or than would be consistent with meeting national food and industrial-input crop and livestock demand).

Reclamation is, in terms of small farmer response, analogous to conservation. If it is so organised as to threaten his/her livelihood it will be resisted, and if perceived as irrelevant ignored. Content and presentation both matter. For example, village "woodlot" reforestation needs to make limited calls on present cropped land, to include economic trees (i.e. tree crops) as well as fuelwood, and to have interim pay-offs in fruits or fodder thinning or trimmings soon after establishment; these benefits (as well as the costs of attaining them in terms of labour and agricultural practices) need to be clear to those expected to support, let alone make labour contributions to, the project.

Small-scale reclamation is suitable for community management and can often mobilise substantial community resources (usually labour). It can also (or partly alternatively) be used to build up supplementary employment in areas in which rural informal incomes and off-farm employment are hard to develop.

South Africa is *water* short and will become more so. Present policies are unsustainable and/or unsound regionally, by region within South Africa and among users.

Regionally the lack of respect for downstream user rights in Swaziland, Mozambique and Namibia may be a plausible aspect of the "total strategy". It would not seem consistent with a good neighbour policy on the part of post-apartheid South Africa.

By geographic region the P-W-V triangle and the Northwest Cape (Upington District) appear to have been favoured for divergent political and quasi-economic reasons not necessarily fully relevant to post-apartheid South Africa. In the case of the Northwest Cape, acceptance of Namibia's Orange River water rights will create a medium term PWV-NWC conflict as, if nearly all RSA's rights are to be diverted near source to PWV, then allowable downstream drawing for the Upington area will be severely constrained.

Among users, large white farmers have been favoured as to allocation shares, price and non-existence or non-enforcement of water conservation (best use) regulations. The national output and employment costs of this policy are already substantial in respect to water system collection and distribution capital plus recurrent cost burden. These

costs will rise and absolute unavailability for some uses is likely to be added to them by 2000 unless greatly enhanced economy in (productivity of) water use is achieved.

The need for an objective (as to social, political, sanitation and amenity as well as economic considerations) evaluation of water collection and use alternatives over 1990–2015 (and 2015–2040), with clear indications of tradeoffs, is clear-cut. The implications for small family farming are not.

Clearly, allocating no irrigation water to this sub-sector would not be socially or economically rational. Some areas – e.g. in Venda – are potentially high productive with irrigation, and not really viable without. In some crops and uses small-scale agriculture can use water more efficiently/productively than large. Security allocation formulae (to reduce drought losses) should probably allocate a larger share to small farmers than they receive in normal years on the basis that they cannot afford severe shortfalls in output which a larger farming enterprise could weather.

But, equally clearly, not all agricultural land in South Africa can ever be irrigated. The tradeoff between large and small farms needs to take production as well as social efficiency into account. Further, some regulations on use and some enforcement of those regulations will be necessary if the new policy is not to develop a small farming sub-sector leak, analogous to the present one for the large farm sector.

Rural Services: Human Condition and Productivity

Direct agricultural services are not the only priority ones – indeed in human and political terms *basic education, health, pure water services* probably rank higher. Without them, the rural to urban exodus will tend to exceed the growth in adequate productivity/income employment plus self-employment in urban areas. Access to these services is so central to improving their human condition for poor, rural or quasi-urban (rural slum) residents that without speedy, marked, visible improvement, many will not be willing to stay to see whether they can build up modest but above absolute poverty livelihoods.

In any case the debate should be over balance not either/or and not even productive-versus-human condition. Education is potentially very productive indeed. Adult education can have productivity pay-offs (not limited to formal skills training or to laying a base for the effective use of extension services) in the short as well as the medium run. People who are malnourished, weak and often ill, cannot work long, hard or productively. The women who must tend them and take them to clinics or other health service points cannot use time so consumed to raise household self-provisioning or cash income. Collecting (often contaminated) water from distant points can eat up three to five hours a day for women and girls, as well as reducing cleansing and sanitation below desirable and user-desired levels.

The cost of universal access to primary and adult education, to primary health care and

to pure drinking water (within one kilometre for schools, two to five for primary health posts and 500 metres for taps) is not beyond a middle income country's resources. \$ 5 a person per year can cover primary health care and perhaps — for South Africa — 1% of GDP, the recurrent and replacement capital costs of all three.⁹

The issue of fees and charges for such services has become ideologically loaded and inefficient in terms of the attention and personnel resources engrossed by the debate and attempted implementation, and ultimately sterile. Universal access cannot be achieved for a population group with as many very poor households as rural black South Africa unless 25% to 40% have all fees waived and another quarter pay fees averaging a small proportion of cost. Subject to that constraint, simple systems can work — e.g. Zimbabwe's exemption up to twice minimum wage, limited fees related to being treated (not to cost of particular treatment), higher charges for specialist and tertiary services (in fact largely accessible only to above-average-income urban residents whether feed or not) and full cost for amenity room and board. Analogies are possible in education. But with good luck and good administration, these will yield perhaps 1% of total recurrent budget needs — perhaps R 0.50 on a pack of cigarettes or R. 0.25 on a bottle of beer.

Water can be different. If many users buy water or if many women could earn in time now claimed by water collection, community keyed and organised (e.g. via user committees) funds to raise (on any basis acceptable to the users) cash to cover maintenance/operation costs and labour to do routine cleaning/maintenance costs may well be practicable. The points about community organisation of collection and in kind (labour, food etc.) contributions are valid for health and education as well. Rigid control fee structures do not fit local rural possibilities and limits, while collecting (literally) tens of millions of R 0.50 to R 2.50 fees and charges scattered throughout rural South Africa is a Treasury administrator's nightmare.¹⁰

Fuel, housing and transport are not basic services *per se* — or at least not ones which can be provided by the state or community at no or minimal income economies. But they are central to human condition improvement and there are state roles even if articulating them requires far more detailed research and analysis than has been done to date.

Woodfuel scarcity and cost (in time and/or money) of collection are rising in rural South Africa. At the same time over-collection has destroyed the traditional system of dead trees, branches first, trimmings next, live bushes or trees only in emergency. The result is ecological havoc.

Three routes are practicable. The fashionable one of improved stoves and braziers to reduce use and improved charcoal kilns to reduce wood/charcoal ratio are worth testing. If they are viable they can provide some easing of the fuel constraint and some additions to informal sector incomes. The "easy" route is via kerosine and coal (plus cheap improved coal stoves). This route can have high potential if, and only if, and to the extent that, rural household cash incomes are rising and the labour used in fuel collection has

an appreciable perceived opportunity cost in terms of household food production or cash-generating activities foregone.

The third route is woodlot development including household village, small commercial. Given proper research and extension on suitable tree and bush varieties (including fodder and food as well as fuel and simple construction produce) and planting patterns plus actual (possibly free until demonstrated gains create a willingness to pay) access to seedlings, this route is likely to have substantial household and community support. It will also create new full-time or supplementary income opportunities in fuelwood and pole production and in charcoal processing for rural or urban markets. The ecological gains can include halting – or at least slowing – the cancerous spread of erosion and neo-desertification and, with community- or bloc-organised individual plant wooded areas, clawback against existing ecological degradation.

Housing in rural areas in South Africa is very variable as to quality but generally poor to bad. One cause is low incomes and another limited and high-cost traditional materials. However, a third is knowledge. Serious research on adapted historic designs and materials linked to assisting village or small business production initiatives (from poles and beams through bricks and tiles to doors and window frames) can have significant impact in a context of rising rural cash incomes. The knowledge (via an extension service) should be provided free, and initial learning/demonstrating subsidies to early material production units. Loans (in kind?) of basic non-rural construction needs (e.g. GCI sheet?) may also be appropriate as – if demand exists out of rising cash incomes – would be training of craftsmen seeking to learn to manage “fundi” (skilled craftsmen led semi-skilled building team contracting with and overseen by prospective owner) building teams.

Rural transport can be operated by the small-scale private and co-ops sectors. Beyond its economic value (input and consumer goods in/crops and livestock out) it clearly is perceived by many rural Africans as making a significant human condition contribution by ending isolation. If rural cash incomes rise, so will transport provision. However, given the social and spread-effect economic gains, a case for selective initial and/or low population density route subsidies does exist if roughly accurate, simple cost/benefit formulas for identifying routes, setting levels and ensuring prompt but proper distribution can be devised.

Non-Agricultural Incomes

Historically (in Medieval Europe as in 20th Century Sub-Saharan Africa) successful small households have combined agricultural and non-agricultural incomes. These have included agricultural output, related ones, e.g. food processing, hides tanning, calabash, clay and leather products as well as tree products, e.g. wood, poles and thatch, wood products, charcoal produced for non-agricultural household purchases as well as specialised services, e.g. in building, commerce, transport sold to other farming households. Wage income on other farms or in non-farm activities (especially but not

only construction) have also been important in many contexts.

The impression — from less than ideal data — is that these non-agricultural earned incomes are very low for most rural black South Africans. Higher crop/livestock incomes would have a multiplier effect by providing raw materials to process and cash incomes to pay for services and product. So would removal of present *de jure* and *de facto* barriers against or constraints on the black informal sector. Assuming the potential growth were identified, training and tool kit provision programmes could speed the growth of the full or part time artisanal cadres.

The last point illustrates a barrier to detailed proposals which needs to be overcome. Baseline surveys on present non-farm incomes by source, markets, probable growth of markets with higher farm incomes, barriers to higher production (Training? Inputs? Access to capital? Access to non-local markets? Especially in the case of women, time?) are needed to estimate what is; what could reasonably be sought; what inputs are needed to achieve it; how they could be provided (e.g. given buyers, small businesses would probably stock tools and building materials albeit craftsmen might also form buying and selling co-ops). Such surveys require local understanding and input to design and interpretation if they are to be fully effective, either in revealing information, or in devising suitable subsequent programmes perceived as user friendly.

Administrative and Institutional Fragments

Purging present administrative structures of apartheid, and providing genuine access to all potential users, should be a significant start with considerable initial gains to many black rural South African households. Providing resources to advance to true universal access to basic services (both agricultural and other income-promoting and human-condition-enhancing) will carry the process much further. In these areas, whatever its limitations, competent traditional state provision backed by adequate resources can do a great deal. Zimbabwe is a case in point.

But traditional bureaucratic/professional structures have limitations in rural Africa (and more generally). They do not seek to learn from or to educate with (as opposed to telling and laying down the law to) users (or as they usually call them, clients). They regularly underestimate the potential of community and independent co-op bodies and/or seek to co-opt them, thereby weakening them. They underestimate the uses of the household small- and medium-scale private sector and fail to recognise that, for example state ensuring of low cost rural transport may sometimes be achieved more efficiently by defined initial or use-related subsidies to private, co-op or village operators than by state bus services. (Neo-liberals recognise some of these weaknesses but conclude — almost certainly wrongly¹¹ — that reducing state roles, not reforming or redirecting them, is the basic solution.)

The implicit agenda for research and action in the above paragraph extends well beyond small farming and related communities. But attention to and progress on it can be o

special importance to them because while relatively good at delivering human-condition-related services to poor people, even well-intentioned and relatively resource abundant states have been much less effective at assisting poor people to produce more. With the exception of veterinary protection services¹², Botswana is a case in point.

Small farming households need to be heard. That means they need to be self-organised in units (whether separate or genuinely farmer-oriented sub-units of more general-purpose bodies) which can make their complaints, needs and potentials known to administrative and political holders of power and resources. While local bases are needed, these need to relate to each other regionally and nationally to be effective in holding higher level politicians and managers to account — and to hire specialist skills to develop proposals, pose alternatives, prove errors or problems.

This self-representational role parallels a communal self-operational role through co-ops and/or community bodies. These may be service providing and/or commercial. Whether they should be separate from (but not presumably acting in co-operation with) representational bodies is probably a contextual question, i.e. different horses for different courses.

White South African farmers do have representational and operational bodies. Opening them to emergent black farmers is, however desirable, not likely to lead very far. These bodies are only moderately effective in promoting farmer interests, are very hierarchical and bureaucratic and are large-farmer-oriented. These factors suggest that new bodies are needed and that they are more likely to emerge from Mass Democratic Movement rural affiliates and smaller, like-minded bodies than from any take-over of existing structures or centrally (urban academic or non-farming/political) devised blueprint.

Resume

1. Black small-scale agriculture can have a future in South Africa by providing decent livelihoods for 15% to 25% of the black households.
2. To achieve that would require land reform but the land question has both non-economic and urban aspects and should not be perceived purely in economics of small family farms terms.
3. Urban South Africa over the first two post-apartheid decades almost certainly cannot provide decent livelihoods for all South Africans. It may also face a problem of reduced food surpluses (above domestic demand) threatening export earnings.
4. Many rural resident black South Africans do express a desire to become family farmers. On the basis of what combination of achievable incomes and of access to basic services these desires would translate into actual commitments to farming as a livelihood/way of life requires further study.
5. Success at empowering the re-emergence of a dynamic black South African family farming sector requires: access to land; to knowledge; to agricultural inputs — markets — credit; to basic human condition services (primary health care, primary

and adult education, pure water as well as fuel, housing, transport); to non-agricultural sources of income and to self-organisation for representational and operational services.

6. Detailed articulation of how to provide access requires far more detailed knowledge – and potential family farmer input – than is currently available. But main themes and approaches can be identified. Judging by Zimbabwean experience (both positive and negative) action on these themes should be practicable and financeable in post-apartheid South Africa and should produce significant gains to many rural black South Africans in the context of a productive dynamic family farming sector.

Notes

1. The shift to co-op or outgrower production and core estate/processing centre may well be desirable. That it nominally substitutes petty commodity producers for proletariat is less real than it appears. Parallels in Fiji and Mauritius sugar suggest productivity and grower incomes can be raised by this approach. However, there is less urgency here – trade union bargaining for wages and working condition improvements are an adequate interim strategy.
2. The focus here is on food but the same general issues arise in respect to agricultural raw materials. However, in practice, small farmer production is likely to be concentrated on food crops for sale as well as for household provisioning.
3. Many urban households have a mix of formal wages (usually male), informal waged (mixed) and informal self-employed (dominantly female in numbers earning but probably not of total income).
4. In addition, pensions and other consumption transfers, when substituted for productive employment, waste potential labour power, build up pathological social relations and are not very consistent with human dignity and self-image among the recipients.
5. Land reform is used here to mean primarily measures which shift land from one user to another and secondarily ones which alter dominant tenure systems (e.g. freehold to use right). Other aspects of rural reform are treated separately.
6. This is not a problem which ending apartheid will cure. Many Southern African historic cultures are very patriarchal (including, for that matter, Afrikaner culture) so that equal access in respect to race can be combined with continued severe (by, say, Tanzanian standards) gender bias in land access and use rights as well as personal status (e.g. present Zimbabwe administrative practice and subsidiary legislation).
7. A tax on efficient use/gross output offsettable against income tax would have the same effect of pushing farmers to use all land productively or to sell some of it at a low price. Exemption of land with an efficient use assessment of under R10,000 would avoid the tax bearing down on emergent family farmers. This tax is a variant of the lump sum land tax frequently advocated by (usually conservative) fiscal theorists as maximising incentives to produce efficiently and at full capacity utilisation.
8. They are also influenced by the types and targeting of taxation and subsidies. What is optimal for large farms need not be appropriate for small.

9. The costs would be higher, especially for water programmes requiring boreholes or pipelines of over a kilometre, during the build-up to universal access, because of the capital stock expansion required. Even so, a 1.5% to 2.0% of GDP range should allow rapid extension of access.
10. The author writes from actual practical experience with the collection problems and costs of large number, small individual collection taxes and fees. He was a senior Treasury civil servant for nine years.
11. State service design and partial cost cover with private production is especially likely to have efficiency gains if the state is short of analytical and managerial talent and has major calls on them for programmes and projects which, by their nature, require state operation and administration.
12. Water point and reserve grazing programmes, as well as game barrier fences, do have positive results but ones skewed to large herd owners.