

The transformation of farming in South Africa and Africa

The case of farm dwellers in South Africa

Paper presented by

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“Farms came to the people. Our great grandparents were already here when the land was ruled by Amakhosi. The Amakhosi were removed through wars between AmaZulu and the Whites, with the intention to grab our land and make it their own. The Zulus failed. That is why we are being oppressed by the whites. We do not have a say with regard to land ownership. That’s how our grandparents found themselves oppressed just as we are”

“Because of the history of apartheid in South Africa white people came to our country and took everything we had including livestock, land etc and as a result of that we ended up dependant on them.”

“It’s because of battles that took place. Black people lost and White people took all the land. They placed us in small places in the townships and divided us and made us their slaves. The new government is a ploy to make us think we are being given our land back.”

Responses from a farm dweller in KZN when asked why there are farm dwellers on farms in South Africa – 2005 workshop report: AFRA

In 2005, my organisation, the Association For Rural Advancement, ran a series of workshops across the province of KwaZulu-Natal with people who lived on commercial farms in some form of tenancy arrangement. The original intention of facilitating these workshops was to assist these tenants to understand how the current laws that have been passed since 1994 to give them rights on the land, have or have not worked. The outcomes of these discussions would feed into our governments attempts to consolidate the various pieces of land rights laws. We all hoped that such insights would ensure that any amended or new laws passed would be more understanding of the current difficulties people were facing in trying to live under the current laws.

What we heard though humbled us, an NGO who has been working with landless people since 1979, initially supporting families to hold onto their lands during the time of forced removals, and later trying to support people to get land back and undo the damage done by dispossession. It humbled us because we were forcefully reminded about what the issues really are for a sector of our society who were severely oppressed under apartheid, often enduring slave like conditions.

The stories from farming districts across the province were the same. Life had not changed for many, they felt left out of this new democracy and they felt hard done by because they had also supported the struggles to end the

apartheid system and yet it seemed as if they did not exist. With all the new laws in place to give them rights, to extend basic services to all, to support emerging farmers, to ensure equitable access to land, to alleviate poverty they were indicating that not much had changed in their lives and in many instances it had got worse. The problems were not just about how they could benefit from our transformation programmes but whether there were any programmes that they could access at all.

Why am I going on about farm dwellers when my topic is on the transformation of farming? Well for a couple of reasons, but the primary one being that I hope to encourage a different way of checking on our successes in development and economic growth programmes.

I am using the case of farm dwellers in South Africa because they have been acknowledged to be the most marginalized and poorest sector of our society today in the governments' Integrated Sustainable Rural Development Strategy documents. And if we want to measure our economic growth in terms of poverty alleviation then lets look at that sector and if we want to measure the transformation of the farming sector then lets look at those who live and work within it. Lets hear from them how much the increase in GDP has improved their lives or how much the increase in agricultural exports and imports have improved their lives, or even how much the drop in tariffs and general trade liberalisation has improved their opportunities. When all is said and done it is this perception and experience that will matter.

I suspect we all know the answer to this. I also suspect that most of us don't know the answer to what to do about this situation of increasing poverty, the decline in the rural economies, the rapid urbanisation and associated growth in shack dwellings.

This is not just a South African question or problem – it is a global one. It is reflected in the battles taking place at the international forums like the WTO, both inside between the developing countries and the so called developed, but also outside those meetings in the form of growing protests by civil society. Under the guise of the United Nations organisation the Food and Agricultural Organisation hosted the second world conference on Agrarian Reform and Rural Development in March 2006 this year. The last conference was held nearly twenty years ago. The significance of holding a conference focussing on agrarian reform now in 2006, should not be lost on us, as it is held in response to growing concerns about the levels of poverty and starvation internationally. The African Union and the UN economic Commission for Africa have also instituted a process of developing a Land Policy framework for Africa hoping to identify actions necessary to secure land rights, enhance productivity and secure livelihoods.

Again you might be asking why we keep returning to matters other than farming. Well many learned people and institutions are arguing that we are really talking about a trade off between attaining equity in land ownership and achieving agricultural productivity that ensures decreased poverty. That the two are seen to be mutually exclusive.

Interestingly discussions by the African Union on developing a Framework for land policies in Africa also suggest that the countries need to balance equity with efficiency in the land policies.

The South African case highlights this apparent dilemma and the case of farm dwellers allows us to reconsider the assumptions inside this dilemma.

South African and African Agricultural economy today

In sub Saharan Africa, it has been acknowledged, even by the World bank, that there has been an increase in the percentage of people with incomes of less than 1 dollar a day. Christian Aid has calculated that “local producers are selling less than they were before trade was liberalised.”

In fact they quantify the loss at “272 billion dollars over the past 20 years”. Primary product exports account for nearly 80% of African exports compared to 31% of all developing countries and 16% for advanced capitalist economies (Bond). This dependency on primary product exports creates problems because they experience high levels of price volatility and downward price trends. (Bond) The biggest problems being the falling prices. Most cash crops prices have fallen dramatically and have pushed Africa’s export values down from 15 billion dollars in 1987 to 13 billion dollars in 2000, even though the volumes of exports had increased. (Bond)

The current debates over continued agricultural subsidies in developed countries , which developing countries have been pushed to drop to enter into trade with these same developed countries, are an aspect of growing rural inequality. They are said to reflect the power of the agro-corporate lobby who are the biggest beneficiaries of such subsidies today. Not surprisingly these subsidies have risen “15% between the late 1980’s and 2004.” (Bond) At the same time it is not clear if the developing countries will actually benefit should the developed countries subsidies be cut. World agricultural markets are dominated by huge cartels who handle the shipping and distribution and local land ownership patterns require plantation wide scale for export which crowds out land used for food cropping or subsistence cropping. (Bond)

An instructive example of the ways in which wealth can be measured was undertaken by the World bank in the publication “ Where is the Wealth Of Nations? (Pg 64-65) where they adjusted a countries tangible wealth (which gives value to actual natural assets) by adding in resource depletion costs to get an Adjusted Net Saving figure.

Table 1: Commodity price declines, 1980-2001

Product, Unit	1980	1990	2001
Cafe (Robusta) cents/kg	411.70	118.20	63.30
Cocoa cents/kg	330.50	126.70	111.40
Groundnut oil dollars/ton	1090.10	963.70	709.20
Palm oil dollars/ton	740.90	289.90	297.80

Soya dollars/ton	376.00	246.80	204.20
Sugar cents/kg	80.17	27.67	19.90
Cotton cents/kg	261.70	181.90	110.30
Copper dollars/ton	2770.00	2661.00	1645.00
Lead cents/kg	115.00	81.10	49.60

Source: Touissant, E. (2005), *Your Money or Your Life*, Chicago, Haymarket Books, p.157.

Table 2: Adjustment to Ghana's 2000 savings rate based upon tangible wealth and resource depletion (per capita \$)

Tangible wealth	Adjusted net saving
Subsoil assets \$65	Gross National Saving \$40
Timber resources \$290	Education expenditure \$7
Nontimber forest resources \$76	Consumption fixed capital \$-19
Protected areas \$7	Energy depletion \$0
Cropland \$855	Mineral depletion \$-4
Pastureland \$43	Net forest depletion \$-8
Produced capital \$686	
Total tangible wealth \$2022	Adjusted net saving \$16
Population growth 1.7%	Change in wealth per capita \$-18

Source: World Bank, *Where is the Wealth of Nations?*, pp.64-65.

Table 3: African countries' adjusted national wealth and 'savings gaps', 2000

	Income per capita (\$)	Population growth rate (%)	Adjusted net saving per capita (\$)	Change in wealth per capita (\$)
Benin	360	2.6	14	-42
Botswana	2925	1.7	1021	814
Burkina Faso	230	2.5	15	-36
Burundi	97	1.9	-10	-37
Cameroon	548	2.2	-8	-152
Cape Verde	1195	2.7	43	-81
Chad	174	3.1	-8	-74
Comoros	367	2.5	-17	-73
Rep of Congo	660	3.2	-227	-727
Côte d'Ivoire	625	2.3	-5	-100
Ethiopia	101	2.4	-4	-27
Gabon	3370	2.3	-1183	-2241
The Gambia	305	3.4	-5	-45
Ghana	255	1.7	16	-18
Kenya	343	2.3	40	-11
Madagascar	245	3.1	9	-56
Malawi	162	2.1	-2	-29
Mali	221	2.4	20	-47
Mauritania	382	2.9	-30	-147
Mauritius	3697	1.1	645	514
Mozambique	195	2.2	15	-20
Namibia	1820	3.2	392	140
Niger	166	3.3	-10	-83

Nigeria	297	2.4	-97	-210
Rwanda	233	2.9	14	-60
Senegal	449	2.6	31	-27
Seychelles	7089	0.9	1162	904
South Africa	2837	2.5	246	-2
Swaziland	1375	2.5	129	8
Togo	285	4.0	-20	-88
Zambia	312	2.0	-13	-63
Zimbabwe	550	2.0	53	-4

Source: World Bank, *Where is the Wealth of Nations?*, p.66.

Another trend that works against the African continent ability to compete globally is the patents held by Multinational corporations for seed production. The subsidies often provided by states to the distribution of seed has more often than not now been privatised and many of these private companies now also fall within the Multinational umbrellas'. The effect of this has been to drive up the seed prices and reduce small holder consumption. (Fortin) Another shift the influence the MNC's have had is to see the "incorporation of agricultural production into commercial commodity chains." (Fortin) The impact of large supermarkets on prices and demand for agricultural products is high.

The Organisation for Economic Co-operation and development recently released a study of South Africa's Agriculture as part of a review of Agricultural policies in SA, India, Brazil and China. In this they affirm that South Africa remains the largest economy on the African continent, where the SA per capita is quoted as being more than 4 times the average of other countries on the continent. At the same time, because of our apartheid history, and perhaps current economic polices, it remains one of the most unequal societies in the world, with high unemployment rates and increasing levels of poverty. Alongside this South Africa is experiencing rapid urbanisation which is a consistent trend with developing worlds as small scale and subsistence farmers are squeezed out of agriculture.

The South African Government has chosen a macroeconomic path that holds the view that deregulation is critical for investment and investment is critical for stable economic growth. The orientation towards world markets saw us decreasing our protections and tariffs drastically where the average economic wide tariffs were reduced from 28%- to the current 7.1%.

There are currently about 45 000 commercial farms (defined as owner operated with labour) using about 86% of agricultural land. Most of these farms are said to be relatively small with low revenues. Subsistence and sub subsistence farming (family farming) makes up the remaining 14 % of the agricultural land. However, only the top 20% of commercial farms produce 80% of the total value of production. Which means that about 51%, or about 23000 commercial farmes earn less than R300 000 per year. Added to this is the fact that the importance of agriculture in the overall economy has declined from 6% (80's) to 3.6% (2002).

It is also estimated that 10% of the employed in South Africa work on farms.

Also according to the OECD report a key result of less state intervention has been a “more efficient allocation of resources in agriculture’ (Loosely put this implies that there has been a buy out of smaller revenue farms by larger corporate farms, along with a decline in employment, or a change in land use from wheat to grazing or from cattle to game to remain competitive etc.)

Alongside the changes in the commercial agriculture sector is the estimated 240 000 small scale farmers who are said by the OECD to supply the local and regional markets (including informal traders). It is also estimated that anything from 3 million people in the former homeland areas depend on produce from family farming.

The South African government emphasises , again and again, in its various strategy documents for agriculture that agricultural production must achieve a reduction in inequality and poverty and at the same time be globally competitive. However, as described, we have seen a decrease in employment on farms, and a decrease in the number of commercial farms. Yet we still promote policies that talk of focussing on small scale agriculture and food security. Government policy guidelines go as far as suggesting that 80% of efforts of the Agricultural department should go towards small scale farm assistance. Yet there remains confusion about who makes up this sector, how to quantify its contribution to food security as an economic growth factor and how to give the support.

The focus remains on issues of transport, roads, storage, access into commercial markets, information about markets, bargaining power etc. as key blockages.

Suffice to say the OECD report confirms that rising unemployment has contributed to food insecurity and malnutrition. Peoples inability to access diversity in food products and access food consistently throughout a year remains a critical concern. South Africa has an estimated 1.5 million malnourished people and 9% of the population remains underweight.

So what is being transformed in the farming sector?

Is it merely too early to see the positive effects of joining the global market through rapid deregulation, for the farming sector? Or are the issues and dire need for social equity competing negatively with agriculture’s ability to compete in a global market?

It is interesting to note that the OECD report concedes that there is a lack of data on the number of subsistence and semi subsistence farmers. In this regard estimates of how many people are dependent on this form of farming as a source of food range from 3 million to 14 million.

It is also interesting to note that agricultures contribution to the economy is measured purely in revenue as a contribution to the GDP and employment opportunities. It is not evaluated in terms of food security. In fact this concept is not well explored. It is confused with the notion of livelihoods which is also

seen as functioning below poverty levels. The fact that these ideas are considered in this way reflects a poor understanding of how people have learned to live and cope with the structural nature of poverty caused by dispossession.

I would argue that failing to understand the complex ways in which poor people have created lives in rural areas is key to the failure of policies to alleviate poverty and support people to move out of the situation. For most poor people sustaining their livelihoods are not based on one income. People form a complex set of strategies to make them less vulnerable. This includes how they access and use social, human, financial, natural and physical resources available to them to live.

The idea is that by understanding all these dependencies in their various contexts outside interventions of support to ensure food security and development will be more nuanced and better targeted. This is a far cry from measuring wealth by access to employment and relative incomes, which make up a small part of peoples livelihood strategies. More often than not rural families have strong dependencies on access to natural resources and social networks that must be considered when pushing urbanisation strategies, changes in commercial land uses to game farms, golf estates, communal farming ventures, equity schemes etc.

Before elaborating on this I bring us back to the farm dweller, who is not recognised in the OECD report, nor really in government policies and programmes. This recognition is critically important to the discussion on the transformation of farming. Most often people living on farms are referred to as farm workers and many policies and programmes developed by various departments like housing and labour work with this narrow understanding of these families relationship to the land. Alternatively people on farms are recognised as tenants in the very narrow legal sense of a person renting a house or flat in towns and cities.

Very seldom are people living on farms recognised as legitimate residential rights holders on that land. Their relationship to the land is always tied to either the legalities of employment or traditional market rental systems. The effects of viewing this sector of our society through such narrow definitions is that it erodes their historical association with the land, and the impact of dispossession on their lives. Through this erosion they become marginalized and programmes and policies that should address them either don't consider their specific plight or cause further problems in their lives.

If one does accept the majority of people on farms as a historical consequence that needs specific attention then we begin to talk of a sector of society that I have commonly referred to as farm dwellers.

Despite the declining levels of employment on farms it is estimated (because nobody knows yet – and this should tell us something like the subsistence farmer lack of information) that there are still millions of people who regard commercial farm lands as home.

Only two laws have been passed since 1994 that speak to the people who fall within the farm dweller category. Both of these are land rights laws. The one law recognised the fact that people had been forced to provide labour to live on the farms and the other separated the labour relationship from residence. The passing of these laws however was not accompanied with any extra budget or staff to give effect to the laws. Today we have seen that despite the passing of these laws to protect this vulnerable groups land rights, more than a million people have been evicted from farms since 1994 according to research done by Nkuzi. In KZN my organisation alone has picked up over 1000 cases of various forms of dispute and rights abuses on farms over just the last 4 years.

It might be simple to relegate farm dwellers to the much spoken about second economy and put together development programmes that address their social needs but this raises a few problems.

The first is that there is a high expectation that transformation programmes like land reform and agriculture will ensure they are recognised as rightful owners of the land they reside on. Any attempts to implement large scale urbanisation programmes or agri-village ideas will face resistance especially when current white owners and new black middle class owners (through AGRI-BEE) remain and become the owners of the land they move from.

The second is that if they remain where they are growing dissatisfaction with governments provision of basic services to them will affect the farming community and local government development plans. People on farms will become poorer if no specific programme is put in place to address their plight. Growing dissatisfaction with their insecure tenure and lack of access to affordable legal services will ultimately lead to escalating conflicts over land in commercial farming areas. This is particularly so if one recognises the high expectation of redress in ownership. Governments current inability to service existing conflicts do not augur well for this path.

The third is that peoples vulnerabilities and livelihood strategies must be understood and recognised in any programme that is developed. Farm dwellers are highly dependent on the land for water, firewood for fuel, grazing for cattle and goats for both income, food and cultural practices, subsistence crops and cash crops, materials for building homes etc. Offers of title deeded for individuals or groups which require relocation must be accompanied by support programmes that ameliorate the losses they will suffer when their access to certain resources change. This is not an argument for things to remain the same or for the poor to remain poor but rather for a proactive state supported programme to ensure situations are not worsened. Urbanisation options require more thought. In fact very seldom do people talk about rapid urbanisation as a positive growth factor! A result may be that if we do not appreciate these vulnerabilities then we merely shift the problem of the rural poor to become the growing problem of the urban poor.

Conclusion

In raising these facts and various views on the farming sector and the specific case of farm dwellers I hoped to highlight the urgent need to review the way in which we factor agriculture into development and economic growth.

There is a need to shift away from the idea that food security comes about by protecting and preserving commercial agriculture alone as it is currently constructed.

There is an urgent need to reconsider the contribution of family farming (subsistence etc.) and poor peoples multiple livelihood strategies to economic growth.

There is an urgent need for the state to return to the poor and provide the kind of proactive support needed by them to access development programmes (like basic services, legal services, grants, BEE, etc) rather than expose them to the harsh realities of the global markets.

Finally there is an urgent need to see the poor as part of economic growth plans by developing dedicated and specific programmes that address both their expectations, like those of farm dwellers land rights, and their poverty, through dedicated agricultural support programmes that protect them and ensure their access to the various grants and markets.

As long as we see the need to trade off the need for equity in land access and tenure with the productivity of agriculture for the global market the path will become more conflicted and less economical.

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