Agricultural Employment Crisis in South Africa

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Abstract
Agricultural employment in South Africa's commercial farming sector is declining at an alarming rate. During the 11 year period from 1988 to 1998, for example, the commercial farm sector shed a staggering 140,000 regular jobs, a decline of roughly 20%. Moreover, there is a trend away from employment of regular, permanent workers, and a simultaneous - though not commensurate - increase in the use of casual workers, meaning jobs of less security and consistency. If the decline in employment continues in this fashion, then the already grave problem of rural unemployment will become graver still. The purpose of this paper is to investigate the causes of this trend. On the face of it, South Africa is merely following the same trajectory mapped out by other medium and high-income countries practising predominantly land-extensive agriculture, whereby agricultural mechanisation and modernisation displace labour in response to relative changes in factor costs. However, processes in South Africa are arguably only superficially related to those in these other countries. The paper provides preliminary evidence from a survey of farm workers, as well as from a survey of institutions serving commercial farmers, that indeed the underlying logic that is driving labour shedding and casualisation in South Africa is different. The findings suggest that farmers’ collective decision to shed permanent workers is in large measure being driven by 'non-economic' considerations, including above all: i) fear of losing control of one’s land to resident farm workers due to new (and possible future) legislation; and ii) a sense that, because of democracy and a commitment by the state to safeguard human rights, farm workers are more difficult to manage than they were prior to 1994. The paper then reflects on the distinctive policy implications that flow from this interpretation.

Acknowledgements
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1. Introduction

As of 1998, agricultural employment represented 30% of all employment for rural blacks living in South Africa (excluding self-employment). This was by far the largest single category of employment for rural blacks (Stats SA, 2000a). Notwithstanding concerns about labour practices and working conditions faced by farm workers, agricultural employment constitutes an absolutely critical source of sustenance to rural dwellers and, more broadly, rural communities.

However, agricultural employment continues to decline at an alarming rate. During the 11 year period from 1988 to 1998, for example, the commercial farm sector shed a staggering 140 000 regular jobs, a decline of roughly 20%. Moreover, there is a trend away from employment of regular, permanent workers, and a simultaneous - though not commensurate - increase in the use of casual workers (Stats SA and NDA, 2000), meaning jobs of less security and consistency. If the decline in employment continues in this fashion, then the already grave problem of rural unemployment will become graver still.

What accounts for this labour shedding trend in the commercial farm sector? On the face of it, South Africa is merely following the same trajectory mapped out by other medium and high-income countries practising predominantly land-extensive agriculture, whereby agricultural mechanisation and modernisation displace labour in response to relative changes in factor costs. In simple terms, as urban sector wages rise with the growth and sectoral diversification of the economy, labour-using farms find it increasingly difficult to retain workers, i.e. to pay a competitive wage. Moreover, as farm incomes decline relative to other opportunities offered by the modernising economy, farmers and/or their children leave agriculture for more attractive options elsewhere. Correspondingly, in the context of extensive farming, average farm sizes increase, and farmers are compelled to mechanise (e.g. Hayami and Ruttan, 1985; Timmer, 1990).

However, does the same logic obtain in South Africa? Arguably, processes in South Africa are only superficially related those in these other countries. That is, there is reason to believe that the underlying logic that is driving labour shedding and casualisation in South Africa is different. The change in the labour regime is not being driven by an increasing real wage or labour scarcity, and it is not (or no longer) being driven primarily by the falling real cost of capital or government policies to that effect. Rather, it would appear that farmers’ collective decision to shed permanent workers is in large measure being driven by ‘non-economic’ considerations, including above all: i) fear of losing control of one’s land.
to resident farm workers due to new (and possible future) legislation; and ii) a sense that, because of
democracy and a commitment by the state to safeguard human rights, farm workers are more difficult to
manage than they were prior to 1994. If this diagnosis is correct, then what are the implications for
government policy, assuming that government would wish to stem the shedding process?

The main purpose of this paper is to contribute to the debate about the changing pattern of production
vis-à-vis labour displacement in South Africa. In particular, we wish to discern to what extent it is true
that farmers’ ‘non-economic’ considerations do indeed predominate in their decisions to reduce their
workforce, and to pin down what these considerations are.

The paper is organised as follows. Following these introductory remarks, section 2 presents a brief
review of the literature on employment trends in South African agriculture. Section 3 discusses
developments in agricultural employment, including recent trends in employment levels, wage rates,
legislative initiatives, and poverty implications. Then, section 4 reports the findings of some ‘quick and
dirty’ qualitative field research that was done to try to better understand the present employment trends
in the sector. Section 5 discusses the policy implications of our findings, and concludes.

2. The literature on employment trends in South African agriculture

There are two main veins of literature on South African commercial agriculture which have a direct
bearing on farm employment and the ‘choice of technique’ question at issue here. First, there is a
literature that traces the evolution of farming systems as new technologies are introduced, and that
purports to explain these changes in terms of underlying economic factors. And second, there is a
literature that attends to the ‘labour repressive’ aspect of the commercial farming sector, by which the
white farming sector has historically sought to maintain a supply of inexpensive labour. We touch briefly
on main aspects of these two literatures.

The literature on the changing mode of commercial agricultural production, is variously descriptive and
analytical. de Klerk’s seminal case-study (1984) depicting the changing nature of grain farming in the
Western Transvaal region between the late 1960s and the early 1980s, portrayed in great detail the
pattern of adoption of new mechanical technologies, i.e. tractors and combines, and what this meant for
farm workers in terms of the changing nature of the tasks they were expected to perform, the numbers
and types of workers required, real wages, etc. Echoed by other articles such as those of van Zyl et al.
de Klerk shows how the adoption of tractors enabled farmers to rapidly expand the area under cultivation, which initially had the effect of increasing the demand for farm labour, notwithstanding the labour-displacing nature of the tractors on a hectare-by-hectare basis. However, the expansion itself encouraged the adoption of combine harvesters and other technologies, which ultimately had the effect of significantly reducing the demand for labour from its peak around 1970, particularly for seasonal workers. This trajectory is broadly consistent with that depicted in the well-known ‘Ishikawa curve’, according to which an initial phase of technological innovation and adoption is associated with an increase in labour demand, while subsequent innovations reduce that demand once more (see e.g. Booth and Sundrum, 1985).1

The direction of change of technique choice has also been examined from a statistical standpoint to try to discern its underlying economic impetus. An example of this is Thirtle et al.’s (1995) test of the ‘induced innovation hypothesis’ (usually associated with Hayami and Ruttan in the agricultural sector, but having its roots in Hicks), which conjectures that the direction of technological change is driven by changes in relative factor costs. Thirtle et al. find evidence that the labour-saving, capital-using nature of technological change in South African agriculture is largely due to the relative increase in the cost of labour, and thus supports the induced innovation hypothesis. Although perhaps less about innovation per se than adoption from existing technologies (not least ones imported from developed countries), the study’s findings are consistent with the sentiments expressed by organised agriculture on the question of labour-replacing mechanisation (e.g. Agri SA, 2000).

The literature depicting white agriculture’s labour repressive character, by contrast, analyses the historical development of the white commercial farming sector as a function of state interventions aimed, inter alia, at ensuring that white farmers had access to affordable labour, and were not out-competed by African producers. In short, labour repressive strategies were imposed by the state on behalf of agriculture and other industries, particularly mining. The Natives Land Act dating from 1913, in particular, had the effect of circumscribing Africans’ ability to acquire, own, and rent land, thus limiting their economic options so severely as to compel many to sell their labour to the mines and white farms (Hendricks, 1990; Davenport, 1987; Bundy, 1979). Legislation aimed at limiting workers’ mobility, such as the Natives Urban Areas Act of 1923 which restricted Africans’ ability to seek employment in urban areas, was another major tool for artificially promoting labour availability to white agriculture (Lipton, 1975). Labour repression policies were of course complemented by a host of other

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1 Strictly speaking, the Ishikawa curve represents how the labour demand per hectare rises and then falls, presumably because his focus was on land-scarce agricultural economies rather than land-extensive ones.
government interventions that aimed to support the white agricultural sector, such as cheap credit and various other subsidies.

More or less at the point in time when mechanisation was changing from a complement to labour to a substitute for it, government policy on agricultural labour switched from assisting farmers through the old labour repressive strategies, to assisting them with labour replacement. Income tax provisions to allow for the accelerated write-off of agricultural equipment, the encouragement of large-scale farming through the Subdivision of Agricultural Land Act of 1970, negative real interest rates on agricultural loans, were all measures designed to promote the development of a modern, labour-lean agricultural sector. The second report of the Du Plessis Commission (Commission of Inquiry into Agriculture) of 1973 indicated that “white agriculture must … gradually be made less dependent on non-white labour and eventually be released from the need of it as far as possible” (quoted in Lipton, 1975, p.13).

However, Marcus (1989) makes the important point that labour repression did not end with the shift in commercial agriculture towards greater capital-intensity, nor with the removal of the pass laws and other racially-based pieces of legislation. Indeed, part and parcel of this shift was a change in the “organisation of the labour force”, wherein more vulnerable groups have been increasingly drawn upon to perform farm work, including migrants, women, children, and convicts. The rationale for this shift is to maintain a relatively docile, immobile workforce, in other words, the nature of the repression changed in order to suit the evolving situation.

3. Developments in South African agricultural employment

This section situates agricultural employment within the broader issue of rural employment, and documents recent trends in agricultural employment. The focus is exclusively on agricultural employment on predominantly white-owned commercial farms, and thus excludes blacks’ self-employment in, say, former homeland areas and coloured reserves.

Profile of agricultural employment in rural employment

Agriculture has in the past played a major role in providing formal employment, albeit at very low wages. In 1992, 1.051 million people were employed on commercial farms, supporting over four million people in rural areas (Newman, et al., 1997). In 1998, there were just over 2.3 million jobs in rural
areas, accounting for 43.3% of the economically active rural population.

Table 1: Rural black employment by occupation

<table>
<thead>
<tr>
<th>Occupation</th>
<th>Number of workers</th>
<th>As % of total workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>farm workers</td>
<td>681 782</td>
<td>29.6%</td>
</tr>
<tr>
<td>domestic workers</td>
<td>350 717</td>
<td>15.2%</td>
</tr>
<tr>
<td>sales people</td>
<td>87 003</td>
<td>3.8%</td>
</tr>
<tr>
<td>teachers</td>
<td>80 739</td>
<td>3.5%</td>
</tr>
<tr>
<td>drivers, non-agric</td>
<td>73 740</td>
<td>3.2%</td>
</tr>
<tr>
<td>labourers, non-agric</td>
<td>60 772</td>
<td>2.6%</td>
</tr>
<tr>
<td>guards</td>
<td>58 538</td>
<td>2.5%</td>
</tr>
<tr>
<td>roads and rail labourers</td>
<td>43 597</td>
<td>1.9%</td>
</tr>
<tr>
<td>mine-related</td>
<td>33 189</td>
<td>1.4%</td>
</tr>
<tr>
<td>taxi drivers</td>
<td>27 766</td>
<td>1.2%</td>
</tr>
<tr>
<td>cashiers</td>
<td>27 702</td>
<td>1.2%</td>
</tr>
<tr>
<td>other</td>
<td>778 727</td>
<td>33.8%</td>
</tr>
<tr>
<td>Total</td>
<td>2 304 272</td>
<td>100.0%</td>
</tr>
</tbody>
</table>


On-farm employment is the most important source of work in rural areas, accounting for 29.9% of jobs for Africans and coloureds in rural areas, and 12.8% of the non-urban economically active population in 1998. The second most important source of employment in rural areas is domestic work. This accounts for 15.2% of the total number of jobs by blacks held in rural areas. A significant number of these domestic workers, of course, are also employed on farms, and anecdotal evidence suggests that there is some fluidity between farm work and domestic work on farms. The significance of on-farm work to rural employment is therefore probably higher than reflected by looking only at the number of people categorised as farm workers.

Although on-farm employment is decreasing, the share of the economically active population living in non-urban areas has remained more or less the same since 1992 and the mid-year population estimates for 1991 to 1997 show a slight increase in the share of rural population in total population (see Table 2). This implies that most people remain in rural areas after losing their jobs.
Total formal employment\(^2\) in agriculture has declined markedly, as illustrated in Figure 1 below. The rate at which agricultural employment declined accelerated in the 1990s, with over 10% of jobs on commercial farms being lost between 1992 and 1995 alone (see also Table 2). Overall, the share of agricultural employment in total and rural employment has been declining in the 1990s. Its share in total agricultural employment has declined from 79.4% in 1991 to 74% in 1997 and as a percentage of the rural labour force, its significance has fallen from 15.2% in 1991 to 12.3% by 1996. It has only just maintained its share in formal employment at an average 10.2%, because of the declining total formal employment in the economy, but its significance in the total labour force has declined by a percentage point in the five years between 1991 and 1995.

The fall in agricultural employment has different implications for different race and gender groups. Agricultural employment provides work mostly for unskilled African and coloured workers. The 1996

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\(^2\) Total agricultural employment includes farm workers, forestry employees, fisheries workers and agro-industries workers as opposed to farm employment that refers only to farm workers.
Census statistics show that 67.9% of farm workers in full-time employment were African and 21.5% were coloured. African men accounted for 50% of the total number of farm workers. Whites and Indians made up the remaining 10.1% with Indians constituting only 0.4% of all farm workers. The pattern is similar for part-time workers, with 66.6% of these workers being African and 28.1% coloured. The only exception is that African part-time workers are evenly split between women and men.

<table>
<thead>
<tr>
<th>year</th>
<th>% change in total agric employment</th>
<th>% change in commercial farm employment</th>
<th>farm employment as a% of total agriculture employment</th>
<th>farm employment as a % of total employment</th>
<th>agric employ as a % of rural economically active</th>
<th>% change in total formal employment</th>
<th>% share in total formal employment</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td></td>
<td></td>
<td>79.4</td>
<td>15.6</td>
<td></td>
<td>5.3</td>
<td></td>
</tr>
<tr>
<td>1992</td>
<td>-0.90%</td>
<td>-6.5</td>
<td>74.9</td>
<td>10.4</td>
<td>14.2</td>
<td>4.8</td>
<td></td>
</tr>
<tr>
<td>1993</td>
<td>-0.90%</td>
<td>-1.4</td>
<td>74.6</td>
<td>10.4</td>
<td>13.7</td>
<td>-1.9%</td>
<td>4.7</td>
</tr>
<tr>
<td>1994</td>
<td>-0.91%</td>
<td>-3.5</td>
<td>72.6</td>
<td>10.1</td>
<td>12.9</td>
<td>-0.5%</td>
<td>4.4</td>
</tr>
<tr>
<td>1995</td>
<td>-0.88%</td>
<td>0.5</td>
<td>73.7</td>
<td>10.2</td>
<td>12.7</td>
<td>-1.1%</td>
<td>4.3</td>
</tr>
<tr>
<td>1996</td>
<td>-0.88%</td>
<td>-0.5</td>
<td>74.0</td>
<td>10.2</td>
<td>12.3</td>
<td>-0.7%</td>
<td>4.2</td>
</tr>
<tr>
<td>1997</td>
<td>-0.89%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-1.6%</td>
<td></td>
</tr>
<tr>
<td>1998</td>
<td>-1.84%</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>-3.5%</td>
<td></td>
</tr>
</tbody>
</table>


African workers are likely to lose their jobs faster than other races as a result of poor education, hence lack of skills. Approximately 41% of male farm workers have no education at all compared to 25%, 6% and 1% for coloureds, Indians and whites, respectively. In addition, another 34% of African male farm workers have little primary education. Similarly, 40% of African women workers have no education at all, and 32% have little primary education. It is the unskilled workers who are most vulnerable to lose their jobs as farmers lay-off workers.

The legislative environment and the demand for labour

The literature review and discussions with Agri SA corroborate the results of our own survey (discussed in section 4), by identifying ever-increasing production costs as one of the most important factors driving the decline in the demand for labour. However, Agri SA argues specifically that in recent years increasing labour costs have contributed disproportionately to rising production costs. This argument finds support neither in our survey, nor in the published data covering recent years. Table 3 for example shows the wage bill over time for African and coloured farm workers, in absolute terms and as a share of total production costs. While labour costs have indeed risen, they have only trivially risen as a share
of costs. Moreover, as will be suggested in the discussion below of wage trends, some of these wage bill figures are suspect.

Table 3: Wage bill for African and coloured workers, 1996 Rands, millions

<table>
<thead>
<tr>
<th>year</th>
<th>regular</th>
<th>casual/seasonal</th>
<th>total</th>
<th>as % of total farm costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>2 103</td>
<td>245</td>
<td>2 347</td>
<td>14.7%</td>
</tr>
<tr>
<td>1994</td>
<td>2 739</td>
<td>336</td>
<td>3 075</td>
<td>14.4%</td>
</tr>
<tr>
<td>1995</td>
<td>3 346</td>
<td>455</td>
<td>3 801</td>
<td>14.9%</td>
</tr>
<tr>
<td>1996</td>
<td>3 963</td>
<td>584</td>
<td>4 547</td>
<td>15.2%</td>
</tr>
</tbody>
</table>


Be that as it may, Newman et al. (1997) argue that the increasing cost of labour can be explained by changes in the legislative environment for labour. The effect of Agricultural Labour Act, Act 147 of 1996 was to extend the provisions of the Basic Conditions of Employment Act of 1983, and the Labour Relations Act of 1956, to the agricultural sector. The Unemployment Insurance Act of 1966 had already been extended to the agricultural sector in 1993. The intention of these acts was to improve the working conditions of farm workers, particularly through regulating their working hours. They were also intended to improve farm workers’ working wage, probably seen as to occur through collective bargaining.

The main cost-increasing effects would be through hiring additional workers to compensate for person time lost as workers now had to work shorter hours. In addition, workers had to be paid overtime rates for working beyond the regulated hours or working during weekends and holidays. Labour costs also increased as a result of transaction costs incurred to maintain labour records and arbitrate wage disputes (Newman et al. p.75).

The perceived impact of legislation on the total wage bill and hence demand for labour has resulted in fears that extending minimum wage regulations to the agricultural sector will aggravate the employment crisis already prevalent in rural areas. The study by Newman found that farmers felt that minimum wage legislation would adversely affect employment for both skilled and unskilled labour in rural areas, and Bhorat (1999a) argued that a slight increase in the minimum wage would lead to a devastating fall in the demand for farm labour. The literature points to the Zimbabwe experience, where the number of workers employed on large scale commercial farms declined from 215 000 in 1980 to 165 000 by 1996 (Torres, 1998; p.231), which is attributed to substitution of labour by capital to avoid rising labour costs due to minimum wage legislation (Loewenson, 1992). Hamman (1996), quoting Diaz (1990), reports a similar trend in job losses in Chile.
Wage trends

An important policy question is whether the increasing share of wage costs in total production costs, if it exists at all, is an indication of improving pay conditions for farm workers. This is a critical issue considering that an estimated 60% of farm worker households are said to live in deep poverty (Bhorat, 1999b).

The survey data from Stats SA’s October Household Survey of 1998 and 1999, reveal that the average wage received by farm workers across the country is about R440 per month. This is based on respondents’ own reports of what they are paid.3

By contrast, according to the recent joint report of the Department of Agriculture and Stats SA (2000), the average agricultural wage in 1996 was R608 per month. This figure is based upon surveys of commercial farmers. Unfortunately, as of yet there are no published data from commercial farmer surveys for 1998 in order to make a more direct comparison between the two data sets. However, the Stats SA-NDA report has a short time series of agricultural wages from 1988 through 1996, based on annual surveys of commercial farmers, which tells an interesting story in itself. The data are depicted in the graph below in real terms in constant 1996 Rand:

Figure 2: Trends in real wage for farm workers, Rand per month

What is particularly remarkable about this graph is the manner in which the period of steady real real

3 For the 1999 October Household Survey, if one excludes the top 0.5% of highest paid farm workers, the average monthly cash remuneration is about R430. For the 1998 October Household Survey data, excluding the top 0.1% brings the average monthly remuneration down to R404.
wages up to 1993 suddenly gives way to a dramatic upward leap of wages in 1994, the year of South Africa’s first racially-inclusive democratic elections. Given that in the past farmers had access to cheap labour as a result of government intervention in the agriculture labour market, did farmers choose to make a once-off real increase of 50% in the wages they paid their workers, i.e. out of their own volition in anticipation of the demands of a democratic society? Did workers suddenly have a great deal more bargaining power that they could use to leverage higher wages? Or is this merely an artifact of an opaque change in definitions or measurement practices? We cannot know for certain to what this sudden increment in wages should be attributed. However, given the large discrepancy between the wages as reported by farmers, and the wages reported by farm workers, we might ask whether in fact this enormous increase in wages actually happened at all. We conjecture that in fact the significance of 1994 had more to do with wages that farmers reported, than with wages they paid. A more accurate graph might therefore be as follows:

Figure 3: Speculative trend in real wages for farmers, Rand per month

To the extent there has been a real increase in average farm worker wages over time, this might relate not to increasing wages to the average worker, but to the changing composition of the workforce, wherein unskilled farm workers are being retrenched more rapidly than skilled workers. However, the statistical evidence of any such change in composition over this period, is weak, as shown by the table below, which shows that the ratio of regular workers to casual workers has remained almost constant between 1990 and 1995.

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4 One representative of organised agriculture queried on this issue, suggested that the dramatic increase from 1993 to 1994/95 was due to the fact that at this point in time, farmers suddenly diminished the in-kind remuneration they paid farm workers, and compensated accordingly with higher cash wages. This bears further scrutiny, but is not supported by the data, which indicated that, at least up through 1996, the real value of in-kind remuneration has remained very steady at about 22%-24% of the total remuneration package.
While these remarks do indeed owe as much to speculation as to hard data, they are supported by the field research that was done and that is reported below. The field research supports this above interpretation in two main ways: first, there is little evidence from either farm workers or from representatives of the commercial farmer sector that the cost of labour has risen dramatically over the past 10 years, or indeed comprises an increasing share of costs; and second, there is general agreement that lower-paid unskilled workers are being retrenched more rapidly than higher-paid skilled workers (which is not to say that this happened all at once between 1993 and 1994).

### 4. Field research into the reasons for present trends in labour shedding

Two surveys were undertaken in order to illuminate the issues addressed in this paper. First, a number of farm workers were interviewed, in order to discern farm workers’ perceptions as to changing patterns of agricultural labour use. Second, telephone interviews were undertaken with professional staff of agricultural cooperatives and producer organisations representing different parts of the country. In neither case did the survey aim to achieve statistical representivity. Rather, the purpose of the two surveys was to see if field data could provide any preliminary clues as to the present trends in agricultural employment, and furthermore to discern whether there was any correspondence between the views expressed by farm workers, and those expressed by members of the commercial agricultural institutions that serve commercial farmers.
4.1 The farm worker survey

Forty-one farm workers in the Northern Province were interviewed, of whom 17 are from the area around Dendron, and the other 24 from the Tzaneen area. The rationale for choosing farm workers from two such different areas - albeit from the same province - was to see if the nature of the farming enterprise had much to do with observed labour use trends. Commercial farming in the Dendron area is dominated by field crops (potatoes and maize) and mixed field crop-livestock farming. The Tzaneen area, by contrast, is dominated by farming of citrus and subtropical fruit.

Among the (present) farm workers interviewed from the Dendron area, 13 different farms are represented, while among those from the Tzaneen survey, 8 different farms are represented. Of those from the Dendron area, 9 have year-round employment (10 months or more), and 6 have seasonal employment (4 months or fewer), and two are intermediate (6-8 months). Of those from the Tzaneen area, all are full-year employees. In the Dendron sample, 10 of the respondents are women and 7 are men, whereas in the Tzaneen sample, 4 are women and 21 are men. In the Tzaneen sample, 16 of the respondents are originally from Mozambique, all but 2 of whom have been employed on their present farms for 5 years or longer.

In addition to general personal background information and the nature of one’s own job, the standardised questionnaires covered three core areas: i) perceptions as to general trends over time in the nature of farm employment; ii) perceived trends in one’s work and work environment over time; and iii) aspirations in terms of becoming farmers on own account. We summarise the responses broadly according to these three core themes. Fuller detail is provided in the appendix.

General trends in the extent and nature of farm employment

The two study sites contrast sharply in terms of their recent experience in perceived levels of farm employment. Among respondents in the Dendron area, there is a consensus that farm employment has been falling, while among respondents in the Tzaneen area, there is a consensus that there is no such decline. Most of those in the Dendron sample (11 of 17) attribute the decline in farm employment to
farmers’ unwillingness to pay workers’ salaries. Two typical responses to the question of why employment was in decline were as follows:
“Because they [farmers] are trying to save costs by paying less people for doing the job that should be done by many people” (Mokgaetsane); and

“Because the farmers are trying to cut labour costs. But I think that this is unjustified because those who are left behind are expected to perform our tasks and of those who have left as they are not replaced” (Malete).

Other reasons given were that farmers were afraid of land claims or unionisation (3 responses), and that farmers were trying to sabotage the new democracy or claim it was government’s fault (2 responses).

Notwithstanding the large difference between the Dendron and Tzaneen respondents in respect of overall trends in employment, there was overwhelming agreement in both areas that there exists a trend away from permanent workers, in favour of more reliance on casual workers. Respondents were asked to what they attribute this trend. The majority of answers related to the theme that casual workers are less troublesome to farmers, either in the sense that they are more easily fired than permanent workers, are less able to make demands (e.g. for wage increases), or are less likely to join a union. The next most common response was that farmers prefer casual workers because farmers are more apt to be able to pay them less than permanent workers.5

On the theme of labour contractors, about half of the respondents from the Dendron survey were aware of such contractors, and half were not. Amongst those that were familiar with contractors, the main sentiment was that they perform a negative role by assisting the farmer avoid direct contact with farm workers. Two typical statements were:

“I think this is one of the strategies developed by the farmers to close the communication channel between themselves and the workers because they know that they have a lot to answer for especially in terms of benefits” (Matome); and

“It gives them opportunity to duck and dive on various issues concerning salaries, benefits, pensions and so forth” (Rosma).

5 For the Tzaneen sample, there is reason for concern about the internal consistency of the results, in that while most all of the respondents reported agreement that there is a trend in favour of casual workers, none of the respondents was himself or herself a casual or seasonal worker. This suggests first of all that more care should have been taken to obtain a mix of respondents, but also that more clarity should have been sought about why or amongst whom they perceived this trend. The non-representation of casual or seasonal workers in the sample may be related in turn to the under-representation of women farm workers in the sample.
A number of respondents indicated that a major function of labour contractors is to sow “confusion”, as in the following response:

“I personally think that they [the contractors] cause a lot of confusion; when we approach the farmer on the issue of salaries, he refers us to the contractor who will in turn refer us to the farmer again” (Josephine).

Of course, this contradicts our understanding of the major function of labour contractors, which is to reduce the costs to the farmer of maintaining the necessary complement of workers. This is not to say that sowing confusion is the true, underlying function of contractors. It does point, however, to the disempowering effect that labour contractors appear to have on farm workers.

By contrast, farm workers interviewed in the Tzaneen area were not familiar with labour contractors. Indeed, other sources corroborate that labour contractors are still quite new to the Tzaneen area, and are not as yet widespread. The reason may be that, because many farmers in the Tzaneen area rely on Mozambican farm workers who reside on the farm, and who are not effectively protected by the Extension of Security of Tenure Act (ESTA), there is not a great need for labour contractors. Another reason may be that, notwithstanding the fact that the subtropical fruit sector is suffering a bout of low export prices, farmers in the Tzaneen area have not been under such acute financial pressure as to need to rationalise their labour force. This would also explain why farm workers who were interviewed did not report a general decline in the amount of farm employment.

*Trends in one’s work and work environment over time*

Farm worker respondents were asked to share their perceptions about the trends over time in the difficulty of their work, the number different tasks they were required to perform, the level of skill required for their work, their sense of job security, their real income from farm work, and the general treatment from their employers.

Overwhelmingly, respondents from the Dendron area indicated that over time their work has become more difficult, and the tasks required more numerous. With almost perfect consistency, the reason given was that as farm workers were retrenched or quit, they were not replaced, leaving the remaining workers with the burden of all of the work previously done by a larger number of workers. No respondents indicated that farm machinery had contributed to making their work less difficult or in any way compensated for the dwindling of worker numbers. One respondent indicated, however, that the
reason work had become more difficult was that the farmer had increase his operations without a corresponding increase in workers. In terms of being required to perform more tasks, respondents indicated that whereas previously they had a narrow area in which they worked (e.g. tending cattle), now they were required to cover most or all aspects of the farm operation.

In the Tzaneen survey, by contrast, 18 out of the 24 respondents indicated that their work was either not changing in difficulty, or was getting easier. These respondents related that their jobs had changed little over time, and may have gotten easier as they became more accustomed to their work, or as they were promoted to supervisory roles. Among those who said their work had become more difficult, there is no clear consensus as to why. While the difference between the Tzaneen sample and the Dendron sample is not immediately clear, there is nonetheless a degree of internal consistency, in that each group’s responses seem to correlate to the trends they observed in respect of overall employment patterns.

Respondents were asked about the level of skill they were required to have to perform their tasks. In the Dendron sample, almost all respondents (15 out of 17) reported that they used more skill over time rather than less. Examples cited included the greater reliance on literacy and numeracy (e.g. for preparing vaccines and mixing pesticides), the use of own judgement (e.g. grading of potatoes), and operation of equipment. In the Tzaneen sample, by contrast, half of the respondents indicated that their work involved no skills at all. Amongst the other half, the reason cited most frequently was the need to work with agricultural chemicals. Interestingly, when respondents were asked what they liked about their jobs, an overwhelming number indicated that they had developed a number of skills and thus an overall sense of competence. This was true even amongst the most unhappy of the workers.

In terms of having a sense of job security, those in the Dendron sample were more apt to feel insecure. Fifteen of the seventeen respondents indicated an ever-increasing sense of insecurity. The common refrain was that one never knew when it would be one’s turn to be fired, since farmers seemed to act very arbitrarily. For example:

“Because the farmer fires as they wish not because they have a valid reason” (Maela), and

“We feel threatened because they said if we do not agree with the farmer the Mozambicans and the Zimbabweans are ready to take over from us and they are even prepared to work for less” (Naledi).
This sense of insecurity is especially poignant given that, amongst the 15 respondents who expressed it, the average tenure on the farms where they presently work was over 13 years. Three workers who work 6, 8, and 12 months out of the year, and who have worked on their respective farms for an average of 12 years, do not even consider themselves permanent workers. The answers to this question bore a close relation to those given in response to a question about overall treatment by the farmer. The question asked whether farmers were becoming more or less kind to them over time. All but one respondent indicated that the farmers were becoming less kind, meaning either more rude, more abusive, or more inclined to issue reminders that farm workers could be fired and replaced at any time:

“They were never kind to us. Before they would only beat you up and continue working but these days they beat and fire you” (Mokgaetsane);

“They threaten to fire us especially if we do not agree with them. We are always reminded how close the Mozambican and the Zimbabwe borders are, as a result they will recruit those people from those countries as they demand less money and won’t claim their farms” (Merriam), and

“We are reminded that if we do not play by the farmers’ rules we are not going to be called the next season” (Sophia).

In the Tzaneen sample, about 10 of the respondents indicated that they feel as secure or more secure than before. Usually this sense of security was explained as being the result of an amicable relationship with the farmer, or due to the worker’s particular skills that the farmer found valuable. The other 14 respondents have much in common with those from the Dendron sample. Commonly expressed was the concern that any little mistake, or missing work due to illness, or advanced age, would result in retrenchment.

Finally, on the question of compensation, respondents in the Dendron sample all said that their pay was too little or was becoming less. Seven of the seventeen respondents specifically said that their pay seldom increased, even though the cost of living kept increasing, thus indicating clearly that their real wage was in decline. Numerous respondents indicated that they had been earning R200 per month for the last 6 years. Among respondents in the Tzaneen area, there was also dissatisfaction with wages, though responses were less clear about what was the perceived trend. Overall, it would appear that those in the Tzaneen area earned quite a bit more than their counterparts in Dendron, as only 3 respondents reported earning as little as R200 per month, and many were in excess of R400 per month. While this is still very low, it does support the notion that the Tzaneen area is more prosperous than the
Dendron area, and that this results in a better treatment of farm workers. This is especially significant in light of the greater reliance on more vulnerable foreign workers.6

Aspirations in terms of becoming farmers on own account

Respondents were asked if they would wish to farm for themselves, and if so, whether they would agree with the following statements: i) ‘I would farm to provide my family more food’; ii) ‘I would farm for some additional income’; and iii) ‘I would like to become a full-time commercial farmer’. The respondents were asked to explain why they agreed or disagreed with each statement.

Overall, there was a noticeable disparity between the answers given from the two survey areas. Those respondents from the Dendron sample overwhelmingly wished to farm commercially on a full-time basis, and spoke specifically (and unprompted) about how in order to do so, they would need to be able to access finance and learn more about marketing. These answers were irrespective of age and gender.

As mentioned above, when asked what they liked about their jobs, respondents in the Dendron survey typically said that they took pleasure in developing their own competence. A number of respondents in fact expressed confidence that they could make profitable use of their skills if given an opportunity to farm independently, e.g. “I am gaining knowledge which will help me to be my own boss as I don’t want to spend the rest of my life struggling here” (Stephina).

By contrast, the Tzaneen respondents were split. Most welcomed the idea of having an opportunity to grow food for own consumption, but only half the sample had any aspirations to farm commercially. The 4 women respondents, plus over one third of the men respondents, indicated that they did not have the experience, knowledge or skills to farm commercially, and in some instances attributed this to the narrow function they performed in their present farm work (e.g. “My work is to repair [machinery] only”).7

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6 Another, more tentative conclusion, is to echo the doubts expressed above as to the accuracy of farmer-sourced government data relating to farm worker remuneration.

7 These latter results are more in keeping with the findings of Sender and Johnston (1996), who surveyed women farm workers in Mpumalanga. Sender and Johnston found that farm workers wanted better pay and working conditions, but did not generally want to have to face the risks associated with commercial farming in their own right.
This contrast points to an ironic inference. It would appear to be in large measure the de-specialisation of farm workers in the Dendron area that accounts for their feeling of confidence and competence, and the de-specialisation in turn appears to be linked to the tendency of farmers to over-work remaining farm workers while they reduce their labour complement. In the citrus and subtropical fruit sector that predominates in the Tzaneen area, however, this de-specialisation has not occurred to the same degree, whether because these farmers have not experienced the same degree of financial pressure, or because the nature of the farming does not as easily lend itself to de-specialisation.

The results of the farm worker survey are summarised in the table below:

<table>
<thead>
<tr>
<th>Table 5: Summary of farm worker survey</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
<tr>
<td><strong>General Employment Trends</strong></td>
</tr>
<tr>
<td>1. employment levels</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Down: ‘farmers don’t want to pay’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Unchanged</td>
</tr>
<tr>
<td>2. employment composition</td>
</tr>
<tr>
<td>Casualisation: ‘farmers want to weaken workers, avoid responsibilities’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong></td>
</tr>
<tr>
<td>Casualisation: ‘farmers pay casual workers less’</td>
</tr>
<tr>
<td>3. use of labour contractors</td>
</tr>
<tr>
<td>Increasing: ‘farmers want to avoid contact with workers, contractors confuse workers’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong></td>
</tr>
<tr>
<td>None</td>
</tr>
<tr>
<td><strong>Trends in Own Work</strong></td>
</tr>
<tr>
<td>4. difficulty</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Greater: ‘more work because farmers don’t replace retrenched workers’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Same or easier: ‘demands are the same, and one is used to the job’ or ‘easier because now I am a supervisor’</td>
</tr>
<tr>
<td>5. number of tasks</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Greater: ‘need to perform more tasks, i.e. because fewer workers’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Same: ‘has not changed’</td>
</tr>
<tr>
<td>6. use of skill</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Greater: ‘need more skills in use of machinery and chemicals, for grading’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Same: ‘has not changed; don’t use skills’ or ‘have been promoted as supervisor’</td>
</tr>
<tr>
<td>7. job security</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Worse: ‘farmers threaten frequently, you never know when you’re next to be fired’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Worse or same: ‘farmers threaten frequently’ or ‘I do not have a problem’</td>
</tr>
<tr>
<td>8. treatment by employer</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Worse: ‘farmers threaten and abuse more than ever’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Worse or unchanged: ‘These aren’t nice people to work for’ or ‘I don’t have a problem’</td>
</tr>
<tr>
<td>9. pay</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Down: ‘we earn the same as 6 years ago, even though cost of living has gone up’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Down: ‘we earn the same as 6 years ago, even though cost of living has gone up’</td>
</tr>
<tr>
<td>10. farming aspirations</td>
</tr>
<tr>
<td><strong>Dendron area</strong> (mixed farming)</td>
</tr>
<tr>
<td>Strong: ‘I can use my skills to farm commercially’</td>
</tr>
<tr>
<td><strong>Tzaneen area</strong> (high-value crops)</td>
</tr>
<tr>
<td>Modest: ‘I would like a plot to grow food for my family; I don’t have the skills to be a commercial farmer’</td>
</tr>
</tbody>
</table>
4.2 The commercial agriculture institutions survey

The other arm of the field research consisted of 29 telephone interviews with staff of agricultural co-operatives, producer organisations, and input suppliers, that is, commercial institutions that predominantly serve large-scale commercial farmers. The purpose of the survey was to learn more about trends in agricultural employment and employment strategies, on the assumption that views expressed by staff of these institutions would be fairly representative of the situation that prevails in the commercial farming sector as well as of the attitudes of commercial farmers. In other words, this approach was considered more practical than trying to sample commercial farmers directly, though this would obviously have been valuable as well.

Telephone interviews were conducted following a structured questionnaire. The questionnaire covered four main areas: i) general trends in commercial farming in the area serviced by the institution (e.g. with respect to costs of production, profitability, etc.); ii) general trends in agricultural employment; iii) factors affecting farmers’ attitudes towards employment; and iv) technological change, especially in so far as it may affect employment. For ease of exposition, we combine the discussion of technological change with that of general employment trends.

Respondents were mainly asked to consider trends over the past 10 years. To assist in discerning patterns, questionnaires were classified after the fact, albeit crudely, according to the broad agricultural sector served by the institution. The classification was as follows: high value crops (8), grain farming (4), mixed crop-livestock farming (16), and livestock farming (1); in practice, however, in the discussion that follows we have often lumped livestock and grain farming together with mixed farming, and thus are left with only two broader categories.

General trends in commercial farming

Regardless of sector, respondents tended to paint similar pictures as to recent trends among commercial farmers they deal with. First and foremost, the cost-price squeeze that became evident in the 1980s, has continued strongly through the second half of the 1990s. Reduced profits have meant increasing indebtedness and a continuation of foreclosures. Most agricultural sectors have few new entrants, so the exit of farmers implies the increasing farm size of remaining farmers. A few sub-sectors have not followed these trends, for example cut flowers.
The main items identified as responsible for overall increases in production costs were those linked to imports, and thus affected by the weakness of the Rand. Fuel and fertiliser were at the top of the list. The removal of the rebate on diesel was also cited as a significant source of the increase in costs. Importantly, labour was rarely mentioned as a factor in the overall increase in costs: only 3 out of the 29 interviewees even mentioned it when prompted about trends in input costs.

In terms of the changing pattern of production, among mixed farmers it was reported that a large amount of ‘marginal’ land has recently been taken out of crop production and put to natural pasture. Much of this shift was attributed directly to the higher price of diesel. Also reported was a trend away from the production of farm products that are relatively easily stolen, such as sheep, maize, and beans.

**General trends in agricultural employment and technological change**

Respondents expressed a consensus that, across all agricultural sectors and sub-sectors, agricultural employment has been in decline over the past ten years, and in some cases has been especially severe in the last four or five years. Respondents were also in virtual agreement that this is despite the fact that labour has contributed less to rising input costs than other factors, or at worst has been on a par with other factors. A third point of cross-sectoral agreement was that farmers continue to mechanise and modernise. Although not as broad and dramatic as the initial introduction of the tractor and combine harvest decades earlier, these mechanisation innovations are having large repercussions for employment, including in viticulture, potato farming, peanut farming, farming of cut flowers, and dairy farming. Similarly, incremental improvements in agricultural chemicals and the means of applying them, are also diminishing the role of labour in agriculture, and most especially of unskilled labour.

Beyond these three points, there was some variation across sectors. Among mixed farmers and grain farmers, for example, there was a reported shift away from permanent workers and towards casual workers, which is not to say seasonal workers. The ranks of permanent, year-round workers has been thinning, and, just as the farm worker respondents from the Dendron sample indicated, remaining permanent workers are often being stretched to perform the work that had previously been done by more people. In this sector, however, there is also a countervailing pressure against seasonal workers. Whereas seasonal workers have traditionally been brought in to assist mainly in weeding and harvesting, the need for this has been reduced by longer-lasting herbicides, on the one hand, and more efficient harvesting machinery (e.g. the potato extractor and peanut harvester), on the other. This means that the relatively skilled permanent workers who operate these pieces of agricultural machinery, are ever more
important to the farmer, while the demand for casual labour has declined. On the other hand, larger and more powerful tractors, means that fewer tractors are in operation at any one time, and that fewer tractor drivers are required. In other words, the force of changing production technologies is to reduce both permanent and seasonal workers, but to different degrees depending upon the specific circumstances.

If farmers do not perceive labour to be a main contributor to rising input costs, and if by contrast they do perceive fuel and agricultural chemicals to be pushing up costs, why is the trend towards labour displacing modernisation? Two answers emerged in this respect. The first is that labour is an area where farmers can cut, even if they do not wish to, meaning presumably that in the face of a liquidity constraint, the cutting of labour is less detrimental to production than other conceivable cuts. The second answer that emerged is that farmers perceive the reliance on labour to be risky, and the main reason for this appears to be because of legislation and the alleged unpredictability of government. (More on this theme in the next section.)

Among mixed farmers and grain farmers, use of labour contractors is not common and in fact largely unknown. These farmers may increasingly make use of contractors for soil preparation and harvesting, but here the constraint that is being addressed appears to be as much machinery as anything else, e.g. to avoid repair costs associated with owning and using one’s own machinery. This mirrors international trends, whereby specialised farming operations involving specialised equipment, are performed by contractors. Fencing contractors were mentioned on one occasion - here presumably the issue is specialised skills and thus labour efficiency. Labour contractors in the conventional sense of assisting the farmer access casual or seasonal workers as and when needed, are not in demand, because labour itself - and especially unskilled labour - is not in demand. When it is necessary to recruit short-term labour, this is easily done by the farmer himself or the foreman, by going to the local township or by asking the school principal to convey the message to students’ parents.

Among farmers engaged with high value crops, there are some parallels to the above, but also some differences. Among the parallels, continued mechanisation is having a large impact. Mechanisation is of an increasingly specialised nature, for example in viticulture alone there are a number of innovations displacing labour: small tractors that can pass between trellises in vineyards, mechanical grape

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8 The country’s tractor fleet has been in decline in terms of numbers since the early 1980s (Vink, 2000), but it is unclear what has been the trend in terms of aggregate tractor horsepower.

9 Numerous respondents expressed the view that farmers are reluctant to retrench workers, but ‘have no choice’. 
harvesters, and mechanised wine presses. One respondent gave the example that grape harvesters can reduce a farm’s peak season labour demand from 100 to 2 workers, effectively displacing all seasonal workers. Similarly, cultivators are increasingly adapted to agricultural chemicals, which allows more use of chemicals instead of labour. A respondent familiar with the flower industry gave the example of chemical spraying by means of a network of pipes, the rationale being that ‘workers are not sufficiently reliable’ for ‘precision farming’. In respect of controlling pests, then, the role of the workers is merely to help maintain the pipes that deliver the chemicals.

Notwithstanding these changes, there is still a peak season demand for farm workers, especially for harvesting/picking, pruning, and sorting. Increasingly, however, there is a reliance upon labour contractors to meet this demand. Apart from avoiding unions, labour contractors ensure that the farmer is provided with workers who have the necessary skills, and are available for the required period.

Factors affecting farmers’ attitudes towards agricultural labour

Respondents were asked about the role of a number of factors in affecting farmers’ attitudes towards labour. Specifically, 5 factors were discussed: the Extension of Security of Tenure Act (ESTA); the proposed minimum wage; unionisation; farm violence; and HIV/AIDs among workers. With respect to each factor, respondents were asked to give a rating between 1 and 10 indicating ‘how concerned’ farmers are about that factor, and were then asked to explain their rating. The ratings themselves turned out to be not very illuminating (there was a preponderance of 10’s), so a summary of them is not offered. Rather, we summarise the explanatory remarks offered by the respondents.

Across the board, the factor that is perceived to be responsible for the largest decrease in permanent employment, is ESTA. ESTA is legislation dating from 1997, which protects longer-term resident farm workers against unlawful and arbitrary eviction, and setting out proper procedures for removing unwanted farm workers. One of the main provisions of ESTA is that, in order to remove a farm worker who is technically protected according to the provisions of the Act, suitable alternative accommodation must be identified. Respondents were united in citing ESTA as a major concern among farmers, and reported on specific strategies that farmers often use to try to minimise their ‘exposure’ to ESTA. First and foremost, farmers react to ESTA by choosing to not replace exiting permanent workers with new permanent workers, or at least not resident permanent workers. Another strategy is to rotate one’s resident workers so as to prevent them from being on the property long enough to qualify for protection under ESTA. And a third reaction of farmers is to pro-actively seek to resettle their permanent farm
workers in nearby towns or townships, where after the workers commute to the farm.

Beside the specific implications ESTA has or could potentially have for farmers employing resident workers, farmers’ reaction to ESTA can be characterised as one of feeling treated harshly and unfairly by government. Numerous respondents indicated that as a result, ESTA was having the effect of straining the otherwise good relationship that farmers have with their workers, as well as creating uncertainty. Some respondents in fact expressed sympathy with the aims of ESTA, but objected to the manner in which it is being implemented, presumably meaning that they perceive government’s enforcement of the Act to be heavy-handed.\(^\text{10}\)

Next to ESTA, the most prominent concern expressed was that of the possible minimum wage. Among farmers of high value crops, the minimum wage is not a serious concern, because for the most part they anticipate that any such minimum wage would be below the wage they presently pay. But, for grain farmers and mixed crop-livestock farmers, the prospect of a minimum wage for farm workers strongly reinforced the existing trend to mechanise and reduce the size of the workforce. As with ESTA, farmers tended to regard the policy discussions about the minimum wage as unwelcome interference from government, which was also adding to the strains between farmers and farm workers. While there is no evidence to suggest that farmers are reducing workers pre-emptively - that is, in anticipation of the introduction of a minimum wage - there is no doubt that they are prepared to act quickly if and when it is introduced.

Unions, interestingly, were not seen as having an effect on the demand for labour. Respondents rather dismissed unions as an ineffective nuisance, which are sometimes the source of friction and confusion between farmers and workers. Some respondents indicated that farmers increasingly rely on lawyers or labour consultants in order to ensure no run-ins with unions. A few exceptions were reported in high value cropping areas, where some larger farmers embrace unions as a way to formalise their relationship to the workforce, engaging with union representatives rather than individual workers.

Violence was generally a source of serious concern - especially among farmers in grain and mixed farming areas - but did not reportedly affect farmers’ demand for labour.

Finally, respondents were asked if HIV/AIDS was of concern to farmers from a production

\(^{10}\) Critics of government’s inability to properly enforce ESTA will no doubt find such a sentiment a bit puzzling, to say the least.
perspective. One respondent said that AIDS seemed to be striking the workforce in such a way that the ‘best workers are being lost’. A handful of respondents indicated concern for the fact that they ended up having to provide care for workers ill with AIDS. But the majority of the respondents said that HIV/AIDS was not a concern, because workers who become ill ‘just disappear’, and because they are ‘easily replaced’. This last perspective reinforces the same point made above, namely that farmers’ demand for labour is quite weak relative to the supply. In terms of unskilled casual labour particularly, farmers seem to perceive the supply of labour to be adequate, and likely to remain that way notwithstanding the AIDS epidemic.
The results of the commercial institution survey are summarised in the table below:

Table 6: Summary of commercial agricultural institutions survey

<table>
<thead>
<tr>
<th></th>
<th>Mixed farming</th>
<th>High-value crops</th>
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</thead>
<tbody>
<tr>
<td><strong>General Trends</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. profits</td>
<td>Down: cost-price squeeze, plus de-regulation</td>
<td>Down: cost-price squeeze, plus de-regulation</td>
</tr>
<tr>
<td>2. production costs</td>
<td>Up: especially chemicals and fuel</td>
<td>Up: especially chemicals and fuel</td>
</tr>
<tr>
<td>3. activities</td>
<td>Some change: area planted in decline</td>
<td>No change</td>
</tr>
<tr>
<td><strong>Employment Trends</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>4. employment levels</td>
<td>Down: need to cut costs; fears</td>
<td>Down: need to cut costs; fears</td>
</tr>
<tr>
<td>5. employment composition</td>
<td>Permanent and seasonal down; casual up</td>
<td>Permanent and seasonal down; casual up</td>
</tr>
<tr>
<td>6. use of labour contractors</td>
<td>Rare/unknown</td>
<td>Increasing: facilitates access to semi-skilled and/or seasonal workers</td>
</tr>
<tr>
<td><strong>Technology Trends</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>7. mechanical technologies</td>
<td>Increasing and improved; more effective and new machinery, esp. for harvesting</td>
<td>Increasing and more specialised; diverse types, allows large reduction in need for seasonal workers</td>
</tr>
<tr>
<td>8. chemical technologies</td>
<td>Gradual improvement; last longer, less need for hoeing, hand application</td>
<td>Gradual improvement; last longer, less need for hoeing, hand application</td>
</tr>
<tr>
<td><strong>Farmers’ Concerns</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>9. ESTA</td>
<td>Huge concern: reduce number of permanent/resident workers</td>
<td>Huge concern: reduce number of permanent/resident workers, find other means to reduce impact</td>
</tr>
<tr>
<td>10. minimum wage</td>
<td>Huge concern: cannot afford, will accelerate mechanisation in response</td>
<td>Not a concern: wages already higher than minimum would likely be</td>
</tr>
<tr>
<td>11. unions</td>
<td>Not a concern; sometimes a ‘nuisance’</td>
<td>Not a concern; sometimes helpful, i.e. to formalise relationship to workers</td>
</tr>
<tr>
<td>12. violence</td>
<td>Big concern: but does not affect labour use</td>
<td>Minor-moderate concern: does not affect labour use</td>
</tr>
<tr>
<td>13. HIV/AIDS</td>
<td>Not a concern: workers ‘just disappear’ and are ‘easily replaced’</td>
<td>Not a concern: workers ‘just disappear’ and are ‘easily replaced’</td>
</tr>
</tbody>
</table>

**Points of congruence and disagreement between the surveys**

It is useful at this point to consider points of congruence and disagreement between the farm worker survey on the one hand, and the commercial agricultural institutions survey, on the other. The general
pattern that emerges is that farm workers and commercial institutions agree on many overall patterns, but attribute these to different factors or at any rate emphasise different aspects. We summarise as follows:

- The surveys concur that labour shedding is continuing, and both attribute this to a mix of farmers’ desire to cut costs as well as reaction to non-economic factors. The surveys also agree to some extent that there has development a certain amount of under-staffing of farms, in the sense that too few people are relied upon to do the work. However, for farm workers, the observation that farmers are continuing to down-size their workforce emphasises the sense of in security that some farmers deliberately provoke through verbal threats. For commercial farmers, economic difficulties are compounded by uncertainty about the future, and a pervading sense that government interference will be attenuated if reliance on labour is minimised. Put another way, concern for entrenchment of farm workers’ rights finds its mirror image in the sense of insecurity experienced by farm workers.

- The surveys agree that there is a trend away from permanent workers and towards casual workers. Farm workers attribute this to a desire by farmers to put workers in a weaker position, i.e. because casual workers cannot make demands, are not represented by unions, etc. Commercial farmers appear to be responding mainly to ESTA and to the possibility of a minimum wage. Commercial farmers also indicate that there will remain a core of regular workers, preferably non-resident, who will operate increasingly sophisticated labour-replacing machinery. Some farm worker respondents from the Tzaneen survey echo this thinking, in that those that recognise themselves as having a particular specialised role seem to feel more secure in their employment.

- Respondents of both surveys tended to agree that farm workers were expected to use more and more skills over time, and those representing the commercial farmer institutions indicated that skills were in short supply. However, some of the farm workers reported mastering skills in tasks such as grading, a function which is increasingly being mechanised. Also, some farm workers from the Tzaneen sample reported still having very narrow, simple duties, such as collecting fallen fruit.

- A major point of difference is that, while the farm worker respondents from the Tzaneen area remarked no decline in employment, this would not appear to be characteristic or typical of high
value crop farming areas, according to the commercial institutions survey. The discrepancy probably relates to the small number of respondents and/or the modest size of the area covered in the farm worker survey.

5 Policy considerations and conclusion

The latest data on poverty state that 16.5% of households in South Africa are ‘very poor’ and 24% are ‘poor’ (Stats SA, 2000b). The incidence of absolute poverty is much higher in rural areas, where 25.4% of households are poor and 38.8% are very poor. The current trends in agricultural employment threaten to deepen the poverty crisis in South Africa’s rural areas. The high incidence of rural unemployment is unquestionably one of the principal reasons for the depth and breadth of rural poverty.

The point of departure of this paper is that the continued shedding of agricultural jobs is highly undesirable, particularly given the singular importance of commercial agriculture as a source of employment in rural areas. The need to slow down and halt this process is urgent, however the above analysis points to the fact that the trend is not the result of any single, easily remedied factor. Indeed, we have argued that the main source of farmers’ wish to reduce their ‘dependence’ on labour (to echo the Du Plessis Commission’s language from thirty years ago), is farmers’ impalpable sense of aggravation and foreboding, i.e. aggravation at what is perceived as government interference, and foreboding about developments not as yet known.

As worrying as the overall trend of less agricultural employment, is the qualitative change in the type of employment. Permanent employment is shrinking to become the domain of a relatively small core of skilled workers and foremen. Seasonal workers are being made redundant by the agricultural machinery and chemicals that are affecting ever more aspects of the production cycle. More and more work which used to be done by permanent workers is now the responsibility of casual workers, who may well be full-time, year-round workers, but who do not reside on the farm, do not have any commitment from the farmer that they will continue to have work, and may not even have direct contact with the farmer, or with any farmer.

Meanwhile, it is difficult for government to intervene in a manner that does not further compel farmers to push down employment, that is, either through increasing the costs of employing workers, or the perceived risks associated with employing farm workers. Moreover, farmers hold a trump card, in that
they can well accelerate the mechanisation process if they need to do so, and indeed as they have threatened to.\footnote{Farmers in Northern Province who have been relying predominantly on Zimbabwean workers, have ‘informed’ the Department of Labour that they will sooner mechanise than pay higher wages to South African workers. Personal}

Trying to reduce the actual or effective cost of labour – e.g. through tax breaks associated with maintaining employment - could be beneficial, but would not in itself have a huge impact, especially as labour costs are already deductible from taxable income like any other non-capital production expense. The evidence that farmers are adopting labour-displacing technologies on account of movements in relative factor costs is not strong; neither the surveys reported on here, nor the recent trend data on input costs, support this view. Moreover, worker remuneration is already pathetically low, quite possibly far lower than suggested by the official data. The adoption of labour-saving technologies does not appear to be motivated by the relative increase in the cost of labour, but rather it represents cost savings that farmers find practical and attractive.

Imposing a minimum wage so as to ensure that more wage earnings flow into rural black communities, would likely be self-defeating. Farmers are preparing for just this contingency, and only the core of highly-skilled farm workers would likely benefit.

The weight of these considerations is that it is far easier to identify policies that government should not adopt, than to identify those that government should adopt. Given the ‘fear factor’ that appears to be so prevalent in commercial farmers’ strategising, then addressing these fears would seem to be top priority. Agri SA’s farmer education initiative, developed in conjunction with the Department of Labour, is one such effort. In addition to being commended, it should be multiplied tenfold and pursued with vigour.

Given the impotence of government policy to halt (not to mention reverse) the trend in labour shedding in the farm sector, it is critical that government accelerates the introduction of ‘compensatory measures’ which are informed by a full appreciation of rural households’ livelihood strategies. Included here would be a plethora of public works projects, and perhaps most importantly an accelerated land redistribution programme which maintain its focus on providing land resources to the landless and near landless.

Given the preliminary nature of the research done for this report, there is a great deal of scope for further work. Among other things, the farm worker survey conducted for the present report was too small, not geographically representative, and not sufficiently rigorous in terms of drawing the sample. Secondly, although the strategy of interviewing institutions serving commercial farmers rather than
commercial farmers themselves, was reasonably successful, there were numerous institutions that were not approached that could be, for example banks, input suppliers, and a fair number of additional producer organisations. Thirdly, a number of issues were raised but not addressed in sufficient depth. We should like to understand better the function of labour contractors, for example as understood by commercial farmers; the perception among farm workers as to what constitutes permanent work and distinguishes it from casual work; the role of foreign workers in agriculture, and the future implications of forcing farmers to reduce their reliance on foreign workers. And finally, there is a need to examine in much greater detail the technological trends that are specific to different agricultural sectors, the better to appreciate the consequences for agricultural employment.

References


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