Towards A Workable Rural Development Strategy

Peter Delius and Stefan Schirmer

TIPS Working Paper 3 - 2001
Towards A Workable Rural Development Strategy

Peter Delius & Stefan Schirmer

University of the Witwatersrand
# TABLE OF CONTENTS

TABLE OF CONTENTS.................................................................................................................. 2
1. THE INDICATORS OF RURAL POVERTY............................................................................. 5
2. KEY DYNAMICS OF RURAL SOUTH AFRICA......................................................... 8
   2.1 Agricultural Transformation, Changing Labour Markets and Rural Differentiation............. 8
   2.2 Patterns of Urbanisation ................................................................................................. 12
   2.3 Levels of Education........................................................................................................ 14
   2.4 Institutional Changes..................................................................................................... 15
   2.5 Women And Poverty..................................................................................................... 16
3. WHAT CAN BE DONE? ................................................................................................. 17
   3.1 Toward an Effective Land Reform/Agricultural Development Policy................................. 18
   3.2 Toward an Integrated Rural Development Policy.............................................................. 20
   3.3 Toward an Effective Education Policy ........................................................................... 21
   3.4 Toward a Viable Service Provision and Welfare Policy.................................................. 22
   3.5 Helping Rural People to Help Themselves ................................................................... 23
4. CONCLUSION................................................................................................................. 25
SELECTED REFERENCES........................................................................................................ 26
Executive Summary

The paper puts forward a workable rural development strategy. It shows on which principles, which historical realities and which statistical facts such a strategy should be based. It looks at what the government is doing to promote rural development and suggests ways in which current policies could be improved, expanded and refined.

The paper starts by reviewing the statistical literature on rural poverty to demonstrate how desperate the situation is and how urgent the need for action. In order to provide a greater sense of process and of detail the paper then looks at some of the dynamics that have shaped and are shaping different parts of rural South Africa. In this section the paper covers agricultural transformation, changing labour markets, rural differentiation, patterns of urbanisation, levels of education, institutional changes and gender discrimination. In the third part of the paper government programmes such as land reform, agricultural development policies, integrated rural development programmes, the education policy and the welfare policy are reviewed. We offer constructive criticisms and ways to add to these policies in order to make our vision of rural development a reality. We also suggest that government should focus more attention on strengthening the organisational capacity of rural people.

Our key findings are, first, that rural deprivation was extreme and that the majority of rural South Africans exist in desperate circumstances. These circumstances make it very difficult for them to take initiatives on their own that would reduce their deprivation in relation to urban areas. Second, we find that agriculture in previous ‘homeland’ areas has all but been destroyed while employment opportunities within white agriculture have become extremely limited. Nevertheless, rural areas have become increasingly differentiated with rural residents becoming divided into at least four categories of income earners, ranging from those with access to highly-paid local jobs to those with no income at all. Third, we find that urbanisation is an ongoing trend that cannot be ignored, but, at the same time, there are still various factors that keep some people from leaving their rural homes. Fourth, school attendance has been increasing steadily among rural youths for the past twenty years, but the levels and quality of schooling attained is often poor, which makes it difficult for rural school-leavers to find jobs. Fifth, there is much institutional confusion and weakness in the rural areas, which undermine projects launched at the local level. Lastly, we find that gender discrimination is an ongoing problem in the rural areas.

The paper comes to the following policy conclusions:

- Land reform and agricultural development are both important and worthwhile initiatives in making some difference, and tackling the inequities perpetrated by apartheid, but agriculture cannot be the central pillar of a workable rural development programme. There are some ways, however, in which land reform and agricultural development could be improved. State-owned land and even land
purchased by the state for the specific purpose of redistribution could be used as part of a supplementary redistribution and agricultural development programme.

• Land reform and agricultural development policies must be part of a more comprehensive, integrated rural development policy. This, in our view, is the best way to undertake a rural development programme. Existing initiatives must be speeded up, extended and refined. Rural development interventions should be based on realistic budgets, an understanding of what rural people want and how existing interventions could be improved and linked to the priorities of people on the ground. This requires extensive and careful research, as well as innovative thinking on the part of policy-makers.

• Identifying mechanisms for using existing resources and levels of funding more effectively must be part of any strategy for rural education. Consideration must be given to achieving rigorous monitoring and evaluation of the performance of particular schools and individual teachers. This process should be coupled with creating significant incentives for teachers to perform effectively and to acquire appropriate skills. Equally important is providing rural learners with access to information technology.

• There is little doubt that transfers will continue to play a vital role in the foreseeable future and there is also a strong argument for expanding the net by, for example, the payment of some kind of dole to the unemployed. The crucial issues that have to be debated relate both to the macroeconomic implications of such a policy and the micro issues related to effective targeting of resources. Would it be possible to develop effective targeting strategies that do not involve cumbersome and expensive bureaucracies?

• The government should promote organisations that seek to represent unemployed and disempowered rural people. Women’s organisations should especially be targeted. The role of the government should be to provide encouragement, funding, and expertise to existing organisations that have already proven themselves. Care must be taken not to create artificial organisations that have been set up for the purpose of attaining available government funds and are not representative of marginalised groups.
Towards a Workable Rural Development Strategy – Indicators of Rural Poverty

TOWARDS A WORKABLE RURAL DEVELOPMENT STRATEGY

A workable development strategy must be based on a comprehensive understanding of the dynamics that have shaped and are shaping South Africa’s rural areas. Statistical indicators of rural poverty are important: they provide an overview of the desperation that exists in these areas, they make it apparent that initiatives to reduce rural poverty are urgently required; and, in some cases, provide clues about which strategies will actually work. We begin our paper with a survey of existing rural poverty indicators. However, these statistical findings do not go nearly far enough in bringing out the diversity of contemporary conditions or the range of trajectories of change in the countryside. It is only once these factors have been properly understood that a workable rural development strategy can be formulated. Part Two of our paper analyses the key dynamics shaping rural South Africa. Part Three makes suggestions about the kinds of policy initiatives that have a realistic chance of making a difference in this context.

1. THE INDICATORS OF RURAL POVERTY

A number of statistical surveys bring into stark relief the extent to which South African poverty is concentrated in the rural areas. In 1995 Data Research Africa analysed the issue by using welfare indicators such as income levels, monetarised expenditure, life expectancy as well as other health and human rights indexes. Their findings were that 68.3% of rural people and 56.9% of rural households were in poverty (Data Research Africa, 1995). In 1997 Klasen used SALDRU data in conjunction with a World Bank derived poverty line to demonstrate that the poverty rate in rural areas stands at 73%, more than three times the rate prevailing in the metropolitan areas. Klasen also showed that the average poor household in rural areas would need an increase in income of over 70% to reach the poverty line, compared to a little more than 40% in metropolitan areas. Furthermore, 77% of the national poverty rate is accounted for by poverty in rural households, although they only make up 53% of the population. Similarly, the former homelands make up 70% of the poverty gap, despite having only 50% of the population. Among them, the former Transkei and Lebowa together account for a full 36% of the gap despite having only 19% of the population (Klasen, 1997: 11).

While poverty can be a blunt term, the desperate circumstances that rural people face can be broken down into a number of more descriptive categories. Food insecurity, for example, is extremely high in the rural areas. According to one source ‘relatively few’ of the nearly 17 million people in the rural areas enjoy food security and the incidence of malnutrition amongst children in these areas is almost 60% (Wildschut & Hulbert, 1998: 15). Unemployment too is much higher in rural than urban areas. Using SALDRU Data, Bhorat and Leibbrandt compiled the following table to demonstrate this point.
Table 1. Unemployment Rates by Area and Race

<table>
<thead>
<tr>
<th>Settlement</th>
<th>Asian</th>
<th>Coloured</th>
<th>White</th>
<th>African</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rural</td>
<td>n.a.</td>
<td>10.3</td>
<td>3.5</td>
<td>41.8</td>
<td>40</td>
</tr>
<tr>
<td>Urban</td>
<td>10.1</td>
<td>26.6</td>
<td>4.4</td>
<td>34.6</td>
<td>25.7</td>
</tr>
<tr>
<td>Metropolitan</td>
<td>12.7</td>
<td>18.7</td>
<td>4.6</td>
<td>34.3</td>
<td>21.5</td>
</tr>
</tbody>
</table>

(Bhorat & Leibbrandt, 1996: 148)

Bhorat and Leibbrandt also point out that young African women in the rural areas have the highest chance of being unemployed in South Africa.

SALDRU data has also been used by Johnston et al (1997) to demonstrate how poverty is distributed within the rural areas and what some of the basic causes of this poverty are. They found that 85% of rural African households earned less than R1500 per month and that income was very unevenly distributed between households. Table 2 summarises the findings:

Table 2. Household Incomes By Quintiles

<table>
<thead>
<tr>
<th>Income</th>
<th>Average for whole sample</th>
<th>Bottom 20% average</th>
<th>21%-40% average</th>
<th>41%-60% average</th>
<th>61%-80% average</th>
<th>Top 20% average</th>
<th>average for hhs &lt; R1500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Income</td>
<td>819.306</td>
<td>134.18</td>
<td>366.20</td>
<td>571.02</td>
<td>906.00</td>
<td>2126.17</td>
<td>563.24</td>
</tr>
</tbody>
</table>

(Johnston et al, 1997: 17)

The table shows that there are significant differences between the household categories. We can see that the top quintile receives 15 times the income of the bottom quintile. The SALDRU data also reveals that much of this inequality is derived from a differential access to wage incomes and that rural households derive relatively little income from agriculture. Table 3 bears this out:

Table 3. Share of Components of Monthly Income

<table>
<thead>
<tr>
<th></th>
<th>Whole sample</th>
<th>Bottom 20%</th>
<th>21-40%</th>
<th>41-60%</th>
<th>61-80%</th>
<th>Top 20%</th>
<th>Hhs with &lt; R1500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0.06</td>
<td>0.15</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
<td>0.03</td>
<td>0.06</td>
</tr>
<tr>
<td>Wages</td>
<td>0.45</td>
<td>0.22</td>
<td>0.29</td>
<td>0.46</td>
<td>0.55</td>
<td>0.72</td>
<td>0.40</td>
</tr>
<tr>
<td>Remittances</td>
<td>0.21</td>
<td>0.49</td>
<td>0.26</td>
<td>0.18</td>
<td>0.12</td>
<td>0.06</td>
<td>0.24</td>
</tr>
<tr>
<td>Profits</td>
<td>0.05</td>
<td>0.08</td>
<td>0.04</td>
<td>0.04</td>
<td>0.04</td>
<td>0.05</td>
<td>0.05</td>
</tr>
<tr>
<td>Pensions</td>
<td>0.19</td>
<td>0.03</td>
<td>0.32</td>
<td>0.24</td>
<td>0.22</td>
<td>0.12</td>
<td>0.20</td>
</tr>
<tr>
<td>Other Income</td>
<td>0.03</td>
<td>0.03</td>
<td>0.04</td>
<td>0.04</td>
<td>0.03</td>
<td>0.02</td>
<td>0.04</td>
</tr>
</tbody>
</table>

(Johnston et al, 1997: 18)

The SALDRU data showed further that 71% of rural households have no access to land and that 85% have no cattle. Even among rural people with access to land, furthermore,
the data reveals that agricultural incomes are extremely low, that these incomes are a small percentage of total income and that wealthier households derive significantly higher agricultural incomes than poorer households. These findings are revealed in Table 4.

Table 4. Income from Agriculture for Rural African Households with Access to Land

<table>
<thead>
<tr>
<th></th>
<th>Whole Sample</th>
<th>Bottom 20%</th>
<th>21-40%</th>
<th>41-60%</th>
<th>61-80%</th>
<th>Top 20%</th>
<th>Hhs with &lt; R1500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Average Agric. Income</td>
<td>89.19</td>
<td>33.90</td>
<td>33.08</td>
<td>69.80</td>
<td>89.12</td>
<td>220.1</td>
<td>61.33</td>
</tr>
<tr>
<td>Per Capita Agric. Income</td>
<td>14.84</td>
<td>6.69</td>
<td>6.16</td>
<td>13.83</td>
<td>17.43</td>
<td>30.85</td>
<td>11.49</td>
</tr>
<tr>
<td>Agric. Income as % of Tot. monthly Income</td>
<td>15%</td>
<td>35%</td>
<td>9%</td>
<td>12%</td>
<td>10%</td>
<td>9%</td>
<td>16%</td>
</tr>
<tr>
<td>No of hhs</td>
<td>110414</td>
<td>721649</td>
<td>233101</td>
<td>210927</td>
<td>191736</td>
<td>227748</td>
<td>922140</td>
</tr>
</tbody>
</table>

(Johnston et al., 1997: 21)

The extent of rural poverty and of inequality that emerges from the SALDRU data may in fact be more extreme. The survey probably under-sampled the poorest households. The definition of household composition used in the survey failed to capture the complexity and fluidity on the ground and some categories of migrant workers were almost certainly missed.

The findings of Bhorat and Leibbrandt (1998), based on a combination of SALDRU data and more recent household surveys conducted by the Central Statistical Services, confirm the picture of intense poverty, high levels of inequality and the relative unimportance of agricultural incomes. The combined survey data reveal that wage income is the main determinant of both poverty levels and inequality in the rural areas. State transfers and self-employment activities (both within and outside agriculture) play a relatively minor role in this regard. Large numbers of the poorest people live in households without any access to pensions and it is the relatively better off who are receiving state transfers. There is no evidence that agricultural incomes are generally more important to the poorer segments of rural communities and self-employment makes a tiny contribution (about 3%) to the income of poor households.

These findings are reinforced by the Mpumalanga data gathered and interpreted by Sender (1996; 2000). The data were gathered by means of a large-scale purposive rural survey conducted amongst the poorest rural households in Mpumalanga. The survey found that women predominate amongst resident adults and that they suffer from various forms of discrimination both in labour markets and in access to resources such as education. Sender found that a large proportion of households experienced severe deprivation. These households often lived in highly inadequate housing and possessed
neither a bed nor more than one pair of shoes. The adult women in these households were likely to have little or no education and their offspring were likely to die before they reached the age of five years. Those children that survived were only likely to die before they reached a few years of education. Some households, however, were much less deprived than others and Sender found that they mostly contained women who had obtained higher than average levels of education. In addition, through experience and networks, the women in these households were able to earn higher wages within local labour markets. As was found in the national surveys discussed above, self-employment played only a minor role in providing households with the ability to lift themselves out of extreme poverty.

These findings provide some clarity about the current situation and can justify certain remedies. However, the figures have been used as a basis for radically different policy directions. It is our argument that realistic policy proposals can only be formulated once the figures have been incorporated into an historical analysis capable of uncovering the origins of these inequities. For example, we need to know how people came to be pushed out of agriculture and into dependence on wages before we can make an informed decision about whether or not it is feasible to revive agriculture amongst the rural poor.

2. KEY DYNAMICS OF RURAL SOUTH AFRICA

Unless we understand the specificity of processes of rural transformation, inappropriate comparisons may be drawn and misguided policies will be suggested. Achieving this perspective demands treatment of issues in greater historical depth than is usually provided in discussions of policy.

2.1 Agricultural Transformation, Changing Labour Markets and Rural Differentiation

Black farming has been practically obliterated in many parts of the country while white, commercial agriculture has provided a steadily decreasing amount of rural jobs. How deeply rooted are these transformations and what are the chances of bringing about a reversal? These crucial questions can only be answered on the basis of an historical analysis. Such an analysis also brings rural differentiation to the fore as it reveals the uneven impact of complex processes of change.

The final collapse of black agriculture began in the 1960s. Before that time, residual forms of agriculture still prevailed in ‘black areas’. However, in the 1960s, population pressure along with other factors led to diminishing access to land and the gradual disappearance of cattle herds. Different parts of rural South Africa experienced these trends in different ways. The most radically transformed areas were usually those defined as Trust Land. Trust Land consisted of those areas that, after the passage of the 1936 Land Act, were added onto the original reserves established by the 1913 Land Act. The vast majority of this ‘released land’ was in the
and grazing land. In older reserve areas population pressure also increased, but it was not as dramatic as on Trust Lands where most of the refugees from ‘white farming districts’ were dumped. A grim overall picture of change emerges from statistics that show that during the period 1955-1969 the population density in black rural areas rose from 60 persons per square mile to 110 persons per square mile (Simkins, 1983). Even within Trust areas there were major differences. People who came to the Trust Lands from white farms in the early 1960s were sometimes still able to obtain garden plots, while those who came later were usually dumped in ‘closer settlements’, with no access to land whatsoever. The consequences that these processes have had in creating vastly different patterns of land-use within a given rural area have recently been highlighted by Baber (1996: 286). In a study of two very different areas in what was formerly Lebowa, he shows that, in an area less affected by Trust regulations and not subject to massive resettlement, agriculture still plays an important role and provides 25% of poorer families’ income. In an area defined as a ‘closer settlement’, by contrast, the majority of households derive no income whatsoever from agriculture.

In white farming districts, during the 1960s, the state began to implement its ‘final solution’ to ‘labour difficulties.’ Labour tenancy was prohibited and farms occupied by blacks were cleared, as were mission stations. This, together with the influx controls that barred blacks from leaving the countryside, was the major cause of rocketing population densities. The same policies also created a new relationship between black and white rural areas. The majority of white farmers now only kept a small core of workers on their farms. They recruited the rest as seasonal workers from the overpopulated reserves; a growing proportion of these seasonal workers consisted of women and children.

Increasing differentiation between geographical areas also emerged as a result of these processes. In the Cape, labour tenancy had all but disappeared by the 1960s. Its official abolition did not, therefore, have as dramatic an effect as in the Transvaal. The removal of black-owned farms and mission stations did, however, have an impact. In the Orange Free State, labour tenancy was also widespread and here a more momentous movement of people out of white areas into Qwa Qwa and Thaba Nchu occurred, especially in the 1970s. Farm evictions received an additional boost during that decade from the mechanisation of maize harvesting. The same process also occurred in the western Transvaal, further intensifying the population pressure in the homeland Bophuthatswana.

In Natal, some farmers were able to maintain the labour tenant system into the 1980s and the kind of farming that was heavily mechanised in the 1970s was not widespread in the province. Increases in population pressure therefore appear to have been more gradual in the KwaZulu homeland. Recently it was found that 53% of African rural households in KwaZulu-Natal have access to land for the cultivation of crops, which was more than twice the incidence of land holding by rural African people in the rest of South Africa (Cobbett, 1987).

Transvaal where it consisted of 4,324,080 hectares. In the Cape 1,389,760 hectares were ‘released’ and in Natal and the Orange Free State only 452,360 and 68,800 hectares respectively were ‘released’.
The politically and economically determined processes combined with climatic and ecological differences. Table 5 demonstrates that the Eastern Cape and KwaZulu-Natal, containing the homelands Transkei, Ciskei and KwaZulu, have much higher potential than the Northern Province and the Northwest, containing the homelands Lebowa, Gazankulu, Venda and Bophuthatswana.

Table 5. Distribution of low and medium potential cropping areas by province

<table>
<thead>
<tr>
<th>Province</th>
<th>Low Potential ('000 ha)</th>
<th>Medium Potential ('000 ha)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eastern Cape</td>
<td>2528</td>
<td>5285</td>
</tr>
<tr>
<td>KwaZulu-Natal</td>
<td>1160</td>
<td>8015</td>
</tr>
<tr>
<td>Northern Province</td>
<td>5910</td>
<td>4181</td>
</tr>
<tr>
<td>Northwest</td>
<td>4213</td>
<td>3691</td>
</tr>
</tbody>
</table>

(Tapson, 1996: 266)

Simkins (1983) has demonstrated that in the 1960s the proportion of subsistence requirements generated by farmers in KwaZulu and the Transkei was generally between 25-50%, and above 75% in some areas. In Lebowa and most parts of Bophuthatswana, by contrast, the proportion was less than 25%.

It is therefore apparent that the population pressures that emerged in the 1960s undermined the ability of black rural residents to generate income through agriculture. However, not all black residents experienced these processes equally. Apart from the differences between geographic regions, there were also the differences between old-reserve areas and Trust areas, between those who could get special land concessions from chiefs and those who could not, and between those who had accumulated land over time and those who had not.

The population pressures of the 1960s and 1970s were accompanied by two other processes that further undermined agriculture but helped initially to reduce rural poverty. The processes were a surge in the number and quality of jobs created in the urban areas and an attempt by the apartheid state to promote migrant labour in all sectors of the economy. This led to a situation where urban wages became a still more significant source of income for black South Africans in rural areas, with the consequence that the general standard of living improved while the incidence of extreme poverty and insecurity also increased.

Before the 1960s, general poverty was greater but most people had access to some resources that, in conjunction with various support networks, made the average person less vulnerable than poor people after the 1960s. In subsequent decades the poorest individuals usually had no land, no cattle, and either no job or access to a poorly paid seasonal job in white agriculture. As the major source of income was located in the urban areas, unconnected to land, there was a consequent decline in the importance of reciprocal and redistributive rural relationships, within which poorer households could
expect cattle loans, work opportunities and other forms of assistance from better-off neighbours.

There is evidence to suggest that, as neighbourhood support networks declined, household structures became an increasingly important basis of security for individuals unable to secure their own income. Both men and women who found jobs felt an obligation to support less fortunate close kin, and this was often expressed in terms of traditions like the duty of the oldest son ‘to act as a custodian of family assets.’ Some women wage earners came to identify with these traditionally male obligations. By doing this they simultaneously legitimated their participation in the job market and provided their kin with access to crucial resources.

Pensions, like the incomes of female workers, became another resource around which household obligations were defined and redefined. Average African pensions rose in real (1975) terms from R67 per annum in 1970 to R162 in 1981 (Breslin et al, 1997). Some poor households depended almost exclusively on the pensions drawn by grandmothers and/or grandfathers. Thus, the deeply-rooted shift away from agriculture in black rural areas has made individual households more vulnerable, while shifting the focus of rural support to redistribution within the household. It could be argued that reviving agriculture on a large scale will recreate the old safety nets of which the poorest households are now deprived. However, this would require recreating cooperative cultures that have largely disappeared, expecting many rural households to accept work regimes and standards of living that they left behind decades ago, and providing huge tracts of land, as well as established systems of tenure. This would require the kind of social engineering that, apart from being morally undesirable, is completely beyond the capacity of the state. Policy-makers cannot, therefore, expect agriculture to provide in the future the vestiges of security and cohesion it provided fifty years ago.

Today’s rural crisis is intimately linked to low levels of national economic growth, which led, from about 1975, to steadily increasing levels of unemployment. The situation was compounded by the mechanisation of white agriculture, which lead to a reduction in the number of permanent jobs available in this sector. During the time that urban employment opportunities were stagnating, many new rural employment opportunities emerged in the homelands. This mainly occurred because the apartheid state tried to stave off social unrest by transferring large amounts of capital into homeland bureaucracies, educational institutions and agricultural projects. Local people with education were frequently able to get these jobs and earn better incomes than they or their parents had earned in the urban economy. The expansion of local incomes probably also created greater demand for the goods, services and labour of other rural people. Both these processes increased the levels of inequality as rural residents became divided into four categories of income earners. Some residents were able to obtain new and relatively highly-paid forms of local employment; others still relied on long-range migration; a third group gained access to poorly-paid local jobs that were a spin-off from apartheid’s capital transfers; while the least fortunate lost access to distant jobs, but have not been able to find local unskilled employment.
During the 1990s, these processes of differentiation were reinforced. Despite being put under pressure by political reform and a reduction in state spending, well-paid professional and managerial positions in rural bureaucracies continued to provide some households with the ability to stay out of poverty. Developments within commercial agriculture, particularly in the horticultural sector, provided some rural residents with relatively well-paid jobs and others with jobs that were low-paid, temporary, but nevertheless crucial for their survival. Statistics on the number of labourers employed on farms during 1990s are inconclusive. According to the Abstract of Agricultural Statistics, the last 25 years have seen aggregate agricultural employment fluctuating around a declining trend. More recent estimates, which place aggregate agricultural employment at under one million workers, indicate that there has been a 8.1% decrease in employment between 1992 and 1994. However, these figures are dubious because workers in horticulture and migrant labourers are generally under-counted. A great deal of casual labour has also been missed because the data were mostly collected during the off-season, when demand for casual labour was particularly low (Johnston and Aliber, 1997: 3). It would appear (although the statistics cannot provide definite proof of this) that as many new, better-paying jobs were created by dynamic fruit or wine farmers, the same number of jobs were lost through evictions brought on by economic difficulties and/or political fear (Lipton, 1996: 419).

One of the dominant trends that emerges from the analysis undertaken above is the extent to which rural areas have become differentiated. Differences have emerged between geographic areas – between white farming areas, the original reserves, the Trust Lands and areas of intensive settlement – and between those who have local skilled jobs, those who have unskilled jobs, those who have urban jobs and those who have no jobs. This extensive and complicated differentiation presents policy-makers with the challenge of designing policies that will have maximum impact in areas of greatest need. In addition, policies need to be devised to accommodate a wide variety of rural interests and demands.

These are only some of the broad processes of change that policy-makers cannot afford to ignore. There are, however, a number of additional processes that accompanied and emerged out of the general changes described above. Among the issues that an informed policy needs to consider are the patterns of urbanisation, the changing levels of education, the institutional dynamics and the particular impact many of these processes had on women.

2.2 Patterns of Urbanisation

The erosion of a land-based economy described above might be expected to lead to a dramatic increase in rural migration to cities but this has not thus far been the case. Indeed, in 1995 a Centre for Development and Enterprise (CDE) report pointed to “current expectations of slower growth of South Africa’s urban population than those common a few years ago.”
In the past, influx control played an important part in slowing down the rate of urbanisation. It was during the 1960s that apartheid’s pass laws and labour bureaux effectively changed urbanisation patterns, leading to increasing rural densities and undermining the development of agriculture in black areas. However, patterns of urbanisation were not simply determined by government regulation. People’s perceptions of rural and urban ways of life had a crucial influence on decisions of where to live. In the past, rural areas were often seen as a haven from the white-dominated, market-driven economies located in the urban areas. Rural areas were seen as places where ‘proper’ relations of gender and age, order and tradition might prevail. In the rural areas, it was felt, blacks were able to exercise greater control over their lives and maintain certain standards and cultural practices that were being eroded in urban areas. These perceptions helped to keep many people in the rural areas, even if they spent most of their working lives in urban jobs.

The destruction of agriculture in the ‘reserves’ undermined many of the material resources that underpinned this rural ‘way of life.’ However, at the same time, urban areas continued to be seen by many as hostile, alienating places. This meant that the perception survived of rural areas as places for black people to establish and maintain homes and ultimately retire. In the present context, crime, high rates of unemployment and scant respect for tradition make urban areas unattractive for many rural residents. The extent to which this is the case has probably been shaped partly by the extent of transformation of particular rural areas and is probably least evident in closer settlements and peri-urban areas. Nevertheless, in a land reform pilot area in KwaZulu-Natal, where people had experienced dramatic removals and, in some cases, functional urbanisation, the majority insisted that they would not move to town and preferred rural living by a margin of roughly nine to one.

Cross explains this phenomenon in terms of the added security the resources generated by the land could provide: “Instead of abandoning the natural resource base, rural communities and households have continued to rely on both cash and the resource base as their characteristic survival strategy in an economic situation where both are at risk and neither alone provides all what they need” (Cross, 1996: 9). However, given the extremely low returns provided by homeland agriculture, something more than mixed survival strategies is probably at the heart of the strong commitment to rural areas. It is likely that in the dangerous and insecure environment of modern South Africa, the rural areas are still seen as relatively ‘safe.’ They are seen as places where the sense of tradition and order remains relatively strong and where access to land is determined by the market.

Given projections of a growing rural population by the CDE, we can expect more pressure on available land and expect agriculture to decline even further in significance. Gradually, population pressure along with factors like high unemployment and mounting crime in rural communities - which is already partly evident - could undermine the residual security provided by rural areas and conceivably lead to a quickening pace of urbanisation.
2.3 Levels of Education

Education has expanded rapidly in the homeland areas during the past forty years. Table 6 gives an idea about the rate of expansion in certain areas as well as the proportion of people attending school.

Table 6. Growth Rates and Enrolment Ratios in Homeland Schools

<table>
<thead>
<tr>
<th>Homeland</th>
<th>Period</th>
<th>Primary Growth Rate</th>
<th>Secondary Growth Rate</th>
<th>Year</th>
<th>Primary Enrolment Ratio</th>
<th>Secondary Enrolment Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lebowa</td>
<td>80-85</td>
<td>2.4</td>
<td>13.2</td>
<td>1985</td>
<td>87.8</td>
<td>79.5</td>
</tr>
<tr>
<td>Venda</td>
<td>79-84</td>
<td>3.4</td>
<td>13.1</td>
<td>1984</td>
<td>104.3</td>
<td>89</td>
</tr>
<tr>
<td>KwaNdebele</td>
<td>80-86</td>
<td>19.3</td>
<td>30.3</td>
<td>1986</td>
<td>79.2</td>
<td>52.2</td>
</tr>
<tr>
<td>Gazankulu</td>
<td>79-84</td>
<td>6.4</td>
<td>9.8</td>
<td>1984</td>
<td>81.6</td>
<td>47.5</td>
</tr>
<tr>
<td>Kangwane</td>
<td>79-84</td>
<td>8.2</td>
<td>15.0</td>
<td>1984</td>
<td>85.5</td>
<td>45.1</td>
</tr>
<tr>
<td>Ciskei</td>
<td>79-84</td>
<td>2.7</td>
<td>5.5</td>
<td>1984</td>
<td>N.A.</td>
<td>N.A.</td>
</tr>
<tr>
<td>Transkei</td>
<td>80-85</td>
<td>3.5</td>
<td>3.5</td>
<td>1985</td>
<td>75.4</td>
<td>57.0</td>
</tr>
<tr>
<td>Qwa Qwa</td>
<td>79-84</td>
<td>5.2</td>
<td>5.2</td>
<td>1984</td>
<td>76.3</td>
<td>48.2</td>
</tr>
</tbody>
</table>

These figures indicate a rapid expansion of schooling and a fairly high participation rate. At the high school level, however, less than half the school-going population was attending school in most areas by the 1980s. This is not so in the two Northern Province areas, Venda and Lebowa, where the vast majority were attending high school. As we have seen, agriculture in the Northern Province has a very low potential and contributes very little to subsistence needs. There is therefore possibly some link between low agricultural output and high levels of school attendance. Historical studies have shown that youths entered education as an alternative to agriculture. In areas of low potential there could have been greater incentive to find alternatives. Once access to education became established as an alternative it could then have further undermined the potential of agriculture as youths spent their time in the classrooms rather than in the fields.

While figures strictly comparable to those provided above are not available for the 1990s, provincial data suggest that there has been a continuous increase in the number of students attending school in all provinces. A relatively rapid increase in enrolment is forecast in the Eastern Cape, Mpumalanga, KwaZulu-Natal and the Free State. It seems likely that the level of secondary school attendance in all rural areas is rising rapidly and that the pattern evident in Venda and Lebowa in the 1980s became much more widespread in the rural areas during the 1990s.

Research has shown that many educated youths are reluctant to practice agriculture as they hope to be able to use their education to secure higher status and higher income jobs. Such jobs are, however, not available in sufficient quantity. In some areas this has led to a reaction against education. Research in northern areas of KwaZulu-Natal, for example, suggests growing scepticism about the value of education as youths who leave school and work with land and livestock are able to accumulate resources - especially cattle - and are
perceived to be better off than youths who continue with their secondary education but cannot find jobs when they finally leave school (Breslin & Delius, 1996). In other areas, where a more fundamental shift away from agriculture has taken place, unemployed school-leavers are becoming increasingly disillusioned.

Sender (1996) argues that unemployed school-leavers with a standard ten are often located within better-off families. They can afford to bide their time waiting for better jobs to emerge, which, Sender argues, means they are not a development priority. This position, however, probably underestimates the extent to which unemployed but educated youths represent a heavy drain on the resources of poorer households. They are also in no position to create new households with any degree of self-sufficiency and contribute to growing problems of single and teenage parenthood. Local and comparative experience also suggests that disillusioned and unemployed school-leavers constitute a highly volatile element within local politics. They probably contribute to rising levels of crime in rural communities and constitute a significant threat to the order and stability needed to sustain development. However, they also represent a resource that could be tapped by appropriate policies and initiatives.

The crucial point is that rural development policies have to address effectively a rural reality in which the majority of the population is under the age of fifteen and will attend secondary school even though the very low matric pass rates in many rural areas will mean that many will leave school without having passed matric. The products of these secondary schools do not aspire to the unskilled positions that many of their parents held, but rather to skilled and white collar work. Yet the poor quality of the education they have received in practice makes it very difficult for them to compete for, or perform adequately in, such positions. A pressing issue is therefore how to create non-agricultural jobs for rural school-leavers.

2.4 Institutional Changes

Communal tenure and chieftainship were entrenched in ‘reserve’ areas through the interventions of colonial states and numerous acts passed by the post-1910 South African state. This does not mean that they were seen as colonial impositions. Many rural Africans saw communal tenure and chieftainship as vital defences against government intervention and market forces. This perception was weakened, but not entirely obliterated, by the far-reaching transformations in recent decades. After the Bantu Authorities Act of 1951, for example, chiefs were increasingly transformed into state functionaries. However, elements of support for chieftainship survived, remaining strongest in areas in which a residual rural economy has retained a degree of vitality. What is certain is that in virtually every area in which chiefs still exist, their position is the subject of considerable debate with the balance of the argument as varied as the areas in which it takes place.
A new structure of rural local government has been created in this rather confused context. In areas such as Sekhukhuneland in the Northern Province, there is support for an elected system of local government in which chiefs are stripped of many of their powers. But there are also countervailing voices that argue that elected councillors are not able to manage the complexities of local level rights, especially to land, or to resist the temptation to pursue personal and sectional interests. Similar debates and frequently violent conflicts have been identified in the Transkei (Peires, 2000).

This situation creates major problems for the proposal by the Department of Land Affairs that chiefs should control tenure reform, and should provide community projects from the money raised by selling property rights to individuals. This will only heighten tension between local and traditional authorities, put strain on authority structures with little capacity, and increase the incidences of already pervasive corruption. Policies to clearly define the spheres of influence of chiefs on the one hand and local authorities on the other have not been forthcoming. This confused and tense situation will only serve to undermine the already low capacity of local government structures in the rural areas and make it extremely difficult for them to play the crucial role in development envisaged for them by most rural policy-makers.

2.5 Women And Poverty

The statistical preponderance of women and ‘female-headed households’ in rural areas has been noted. These findings are frequently used to call for gender-specific development policies. We are strongly in favour of such policies, but feel that any effective policy must also take account of a growing body of research that suggests that the category of ‘female-headed household’ is too crude to pick up important differences in the circumstances of rural households. The category could therefore prove to be a very blunt-edged targeting device. It lumps together a wide variety of actual households that face different opportunities and constraints. For example, research using participatory rural appraisal techniques has shown that ‘female-headed households’ with a pensioner, with sisters or brothers who can either care for the children while the mother works or who bring income to the household, and with a husband or relative who remits money are consistently seen by local participants as having more opportunities than female-headed households without such support. Participants in different development sites consistently perceived single women with children and no support networks as the most vulnerable category of household in their villages (Breslin & Delius, 1996). This observation has been supported by research on which kinds of households are most likely to contain malnourished children.

Female poverty in rural areas is, in many respects, a legacy of the migrant labour system in which men found urban jobs and left women behind, often dependent on infrequent or non-existent remittances. In many instances, migrants never returned to their rural homes. The available data – although profoundly inadequate – suggest that in recent decades even this flow of remittances has diminished dramatically as a result of rising unemployment and declining commitment of male migrants to rural areas in which
securing access to land, livestock or employment is an ever-remoter prospect. Female migrancy has also increased considerably.

Female poverty is also a product of gender discrimination in the labour market. The group receiving the lowest wages in the market is almost certainly female migrant workers on commercial farms. Their work is usually very insecure and very badly paid. Tackling this source of poverty raises some difficult issues. The women are often already in the labour market, albeit very marginally in many cases. Taking the women out of the labour market through the provision of land may not be an option. Sender argues that policies must be based on information about women’s wage-earning activities, so that these can be assessed in terms of the prospects for increasing income from these sources and/or for obtaining additional income from other sources, and to improve the security of such incomes. Notwithstanding these conceptual and practical difficulties, there is a considerable body of literature that suggests that the effective targeting of development initiatives and resources on women can achieve significantly enhanced results.

3. WHAT CAN BE DONE?

The realities and deeply-rooted dynamics that we have outlined above make it clear that no sudden or simple solution can possibly be found to end rural poverty in the near future. This leads us to conclude that there have been two kinds of problems with past initiatives to tackle rural poverty. Firstly, they were overly optimistic about what could be achieved through government assistance. This kind of thinking, in which, for example, the land reform programme was touted as the solution that would radically transform the prospects of poverty-stricken rural people, has diverted attention away from finding a multi-pronged initiative with realistic targets. There has also been a tendency to become overly disillusioned with policies that do not live up to expectation and to then search for a new approach that will somehow deliver on the inflated hopes of finding a cure for rural poverty. Such reactions lead to a reduction of capacity, prevent institutional learning, and do not allow for an approach in which the emphasis is on implementing a variety of effective measures in a cost-effective, coordinated and targeted way. It is important that the capacity of the state is used to its fullest. Various branches should therefore focus on doing what they do best, their efforts should be aimed simultaneously at communities, and there must be an emphasis on quality as well as quantity.

The second, related, problem has been an underestimation of the kind of state intervention that will make a real difference to rural people. It has largely been assumed that rural people require some kind of assistance with enterprises that they are already engaged in. This kind of thinking ignores the massive barriers that rural people face. These barriers – which include poverty itself, the risks of undertaking market-oriented activities, infrastructure shortages, institutional chaos and the competition of well-established agricultural and retail businesses – all prevent rural people from doing much to change their own desperate situation. Where possible, the government must undertake decisive actions to change the structural position in which rural people find themselves. If such actions are not undertaken, government transfers might affect the welfare of rural
people in the short term but will do nothing to change the long-term situation. Consequently, rural poverty will remain entrenched and will get steadily worse.

We will now consider areas in which attempts have been made by the government to reduce rural poverty. On the basis of the considerations outlined above, we will point to the limitation of these initiatives and put forward ways in which they could be improved. In general, we will argue, the government must make a much more concerted effort to construct policies that are both realistic and decisive enough to make a real impact.

3.1. Toward an Effective Land Reform/Agricultural Development Policy

The Departments of Land and Agriculture, under the leadership of Thoko Didiza, are in the process of formulating an Integrated Programme of Land Redistribution and Agricultural Development. The Programme aims to overcome the limitations of previous policies. It hopes to: speed up the process of land redistribution; make a real difference in the standard of living of the rural poor; provide some previously disadvantaged people with the capability to develop into successful, market-oriented farmers; and guarantee that beneficiaries will actually make use of the land they receive. These are worthy goals. Unfortunately, the proposed programme has little chance of achieving them. This is so because, like the previous policies that the Programme is seeking to replace, it is neither realistic nor decisive. The most important basic principles of the Programme are: that it provides a range of grants (from R20000 to R100000) depending on the size of the ‘own contribution’ that beneficiaries make, that it is ‘demand-directed,’ and that implementation is decentralised. These principles will do little to help the government overcome the problems encountered by previous land redistribution programmes and by ‘small farmer’ programmes like the DBSA’s Farmer Support Programme and the Broadening Access to Agriculture Thrust (BATAT).

The grants offered by the government are slightly larger than before and they are now directed towards households in such a way that communal business plans and the formation of Community Property Associations are no longer emphasised. In addition, approval of projects must now occur at the provincial level and local level staff must assist applicants. These ‘innovations’ will not speed up delivery of land. The capacity of provincial and local officials is very low and land reform has often been neglected in provinces, like the Northern Province, with massive concentrations of rural poverty. Further, the rural poor are still expected to take the initiative to identify farms that they would like to purchase, and to negotiate, with assistance from officials, with farmers who are usually in a fairly powerful position. It is still only possible to purchase large tracts of land because, despite officials in the Department of Land Affairs calling since 1995 to have the Subdivision of Land Act repealed, it remains in place. This means that beneficiaries will have to form themselves into groups to buy land and the policy of the new programme in this regard is no different than the previous programme (Ministry for Agriculture and Land Affairs, 2000: 7).
The price that a farm owner can charge remains problematic as past experience has shown that ‘communities’ are formed for the purpose of buying a specific piece of land. There is therefore no competition in this ‘market’ and the farmer finds himself in the happy position of being able to set the price. The Programme argues that the price should be ‘reasonable compared to local transactions in land,’ but no indication is given how such a reasonable price will be determined or how it would be enforced. Furthermore, despite the rejection of the ‘business-plan’ principle, it is highly unlikely that the approval process will be simplified or speeded-up. Each household now has to design its own ‘sound project,’ indicating how the household’s own contribution will be made. They will be assisted in this process by design agents who will be paid an initial retainer and the residual amount when ownership is transferred. This payment structure will supposedly provide the agents with an incentive to speed up the process, but it is clear that putting all the projects together will probably take longer and be more complicated than the old business plan requirement.

Projects should also undergo Environmental Assessment Plan screening according to national guidelines. Despite claiming that the new system will speed up the process and increase the land reform beneficiaries, the authors of the programme also admit that “the demands on the beneficiaries are substantial” and “only those sufficiently motivated to acquire land will go through the process.” This means that, just as was the case for the previous ‘demand-led’ programme, this new programme will create very few beneficiaries.

Some rural people who find themselves within the new programme will experience no substantial improvement in their quality of life. This is so because the grant is a once-off transfer that will make very little difference to the structural disadvantages that rural people face. This was precisely why previous programmes, like the Farmers Support Programme (FSP), failed. In terms of the FSP, 25 000 farmers received support between 1987 and 1992 at a cost of R50 000 per smallholder. Despite this relatively large expenditure the results were disappointing. In those areas where evaluations were undertaken, it emerged that the costs of farm support were consistently higher than income. Rather than setting farmers on a dynamic path of accumulation, the FSP acted mostly as a welfare transfer. The first reason for this, it appears, was that the support programme required amounts of investment that were regarded as far too high by the farmers themselves. Most of the farmers therefore never made the investments that would have allowed them to achieve high enough levels of productivity to make their farms profitable. Furthermore, those farmers who did achieve success were almost always part of wealthier households with access to additional land and substantial non-farm incomes. The second reason for the FSP’s disappointing performance was the failure of the programme to address issues of access to and control over markets.

Assessments of the FSP by Fisher and Vink pointed to the fact that homeland vegetable producers could not gain access to markets flooded with the produce of white farmers, while Thomas and Tyobeka hinted that the risks of being forced into market production were often too high for homeland farmers with very little capacity or market power. In
general, these structural disadvantages cannot be overcome by the demand led, once-off transfers envisaged in the New Integrated Programme.

The new programme also offers no protection to the women who are unable to have their interests recognised when participating in or designing a land reform project. The programme states that “men and women will have equal access to all benefits under the programme” but no indication is given to how women’s interests will be promoted by the state given their disadvantaged position within rural communities. There is also no way that the new programme can enforce the ‘own contributions’ that beneficiaries are expected to make. The role of the Monitoring and Evaluation Directorate within the Department of Land Affairs is to assess how the programme is working in general, not to ensure that the contributions to which households commit themselves are actually forthcoming. The idea that the new programme will only benefit households actively committed to farming the land is therefore likely to be more rhetoric than reality.

A better land reform/agricultural development programme needs to involve the state more directly without being based on the idea that it will, by itself, completely transform the existing rural crisis. The state should seek to acquire suitable land itself and then make that land available to people willing to participate in a monitored, ongoing subsidy programme. A subsidy programme that runs for a number of years may place disadvantaged farmers in a generally more favourable position in relation to previously advantaged farmers. In addition, such a subsidy programme can also be used to enforce the productive utilisation of funds. Subsidies should always be conditional on an annual evaluation, and farmers who have failed to use the subsidies to enhance their productive capacity, or have reneged on some other aspect of a contract that beneficiaries must enter into, would lose their subsidy. The capacity of the state is limited. Therefore it would be possible to assess annually only a small group of randomly selected farmers. It is also important that contracts are kept simple, that farmers are given the space to make most of their own economic decisions and that extension officers responsible for the local implementation of the programme are carefully monitored. There are many potential problems with this kind of market regulation. However, it has a much better chance of making a real difference to rural peoples’ lives, and therefore of being less wasteful, than the current policy of demand-led, once-off payments envisaged in Integrated Land Reform and Agricultural Development Programme.

3.2. Toward an Integrated Rural Development Policy

Land reform and agricultural development policies must be supplemented with a more comprehensive, integrated rural development policy. At the moment such a policy is being run from the President’s Office, with the idea that this office will coordinate and fund provincial rural development initiatives. By all accounts this initiative has had disappointing results. Provinces have merely put forward a number of projects that they feel could benefit from funding. Once again a more decisive intervention, based on realistic budgets and on the idea of maximising existing initiatives is required.
The bureaucratic structure in charge of rural development must have the capacity to coordinate and target the poverty reducing efforts of various government departments and private institutions. Providing either land, a road, funding for SMMEs, or agricultural support in isolation will not make a significant difference to the general levels of rural capacity. Such isolated efforts will therefore be wasted. These kinds of initiatives need to be targeted at areas and people where they can have an impact, and they need to be coordinated in such a way that they complement each other. For example, if a road, SMME funding, land, and agricultural extension were all provided at once, farmers would be able to find jobs, local markets and institutional support and therefore be in a much better position to take on the risks of agricultural production.

Government budgets and the allocation of projects should be structured in such a way that they promote cooperation rather than competition between various branches of the state. At the moment the emphasis is on spending and delivering, with little concern about the quality or the sustainability of interventions. Consequently, government departments compete with one another for communities. If budgets were allocated according to and made conditional on the actual impact of interventions, then departments would have an incentive to cooperate and to focus much more on the quality of their projects.

Independent monitoring and evaluation bodies should be set up and given the ability to influence budget allocations. Those interventions that work should be given the most support. Rural development interventions should be based on: realistic budgets; an understanding of what rural people want; and how existing interventions could be improved and linked to the priorities of people on the ground. This requires extensive and careful research, as well as innovative thinking on the part of policy-makers. The bureaucratic structure in charge of coordinating this programme must be: centrally-located; have the ability to provide complementary and top-up funds for those projects that work well and are undertaken in the context of a coordinated rural development initiative; and have the capacity to commission and regulate the monitoring and evaluation and research activities proposed above.

\textbf{3.3. Toward an Effective Education Policy}

We believe that reconstructing rural education should be at the heart of any rural development strategy, not only because of its local impact, but also because of its potentially positive contribution within an ongoing process of urbanisation. As pointed out above, recent decades have seen a very considerable expansion in access to primary and secondary schooling in many areas, but these schools are in the main very poorly equipped and resourced. The increase in the number of schools was accompanied by an expansion of teacher training – probably most dramatically in the Northern Province. However, research has suggested that the quality of the training offered to these teachers was poor. Their competence in key subjects like English was often limited and very few were qualified to teach maths or science. In addition, in a number of regions, rapid expansion in a context of educational and political turmoil combined to erode a culture of
teaching and learning. In some areas matric pass rates have plummeted and overall the products of these schools are poorly prepared to compete in the job market.

The state has declared its commitment to discriminate positively in favour of rural areas to redress past neglect. Few concrete proposals have emerged as to how this is to be achieved. Given the current high level of, and the enormous pressure on, the education budget, the prospects of this happening on a significant scale appear remote. Past attempts to effect a redeployment of teachers from urban to rural areas is widely recognised to have been a costly failure that weakened urban schools without strengthening their rural counterparts.

Identifying mechanisms for using existing resources and levels of funding more effectively must be part of any strategy for rural education. This will involve tough choices about spending priorities. Consideration must be given to achieving rigorous monitoring and evaluation of the performance of particular schools and individual teachers. This process should be coupled with creating significant incentives for teachers to perform effectively and to acquire appropriate skills. Measures to provide additional – more marketable – skills to an existing pool of unemployed school-leavers are also necessary. Equally important is providing rural learners with access to information technology. This will help them to compete more effectively for jobs in the modern economy. It also makes available to them relatively cheap educational resources, of which there is a dire shortage in the rural areas.

In the arena of rural education, as in others, the crafting of partnerships between government, the private sector, NGOs and international donors in pursuit of clearly defined targets should also be high on the agenda. It would be particularly valuable to identify lead projects and programmes in which public/private partnerships could be developed and tested.

3.4. Toward a Viable Service Provision and Welfare Policy

Much needs to be done to ensure that services and more direct transfers are delivered effectively, are targeted, and reach their intended beneficiaries. The framework for achieving this would have much in common with and fall under the auspices of the rural development bureaucracy that we advocated above. A priority within this framework would be to ensure the delivery of basic services to the poorest rural districts. This framework would have to not only set departmental priorities based around the delivery of basic services to those most in need, but also include:

- the prioritisation of districts to be supported based on information about basic services required
- a monitoring framework that could verify whether services were in fact being delivered
- a clear set of consequences for failure to deliver
• defined budgets with relatively short time frames
• plans to scale up operations into areas better serviced and with greater economic potential

In the short term, the government could concentrate on reducing the red tape and bottlenecks that plague current development initiatives. Efforts to strengthen the capacity of tender boards to assess applications would be an important starting point. Another would be to decide on how best to allocate training resources. These resources should be targeted at the local and district levels of government. Programmes should develop those skills that are most needed at local levels for officials to manage their tasks effectively. Priority areas must include project management, budgeting and conflict resolution.

It is clear that at present direct transfers from the state (old age pensions, disability grants, etc.) play a vital role in sustaining many rural households. A commission of enquiry is currently reviewing policy in this field. There is little doubt that transfers will continue to play a vital role in the foreseeable future and there is also a strong argument for expanding the net by, for example, the payment of some kind of benefit to the unemployed. The crucial issues that have to be debated relate both to the macroeconomic implications of such a policy and the micro issues related to effective targeting of resources. Would it be possible to develop effective targeting strategies that would not involve cumbersome and expensive bureaucracies?

3.5. Helping Rural People to Help Themselves

Government initiatives to provide assistance to rural people should concentrate less on funding individual self-help projects and more on building up the organisational capacity of the rural poor. One possibility when trying to achieve this is to follow the route advocated by Sender, who is strongly in favour of supporting rural labour unions (Sender, 2000: 36). Sender (1996) has demonstrated that on larger-scale state or agribusiness farms, both farmers and workers benefited from the presence of labour unions. However, we feel that this kind of mutually beneficial arrangement involving unions will be narrowly confined to employers who have the capacity, the confidence and the vision to work effectively with unions. A large proportion of commercial farmers have traditionally been averse to increasing their labour supply or to paying higher wages. Instead of focussing exclusively on unions the government should mainly seek to promote organisations that seek to represent unemployed and disempowered rural people. The government should especially target women’s organisations.

The role of the government should be to provide encouragement, funding, and expertise to existing organisations that have already proven themselves. Care must be taken not to create artificial organisations that have been set up for the purpose of attaining available government funds and are not representative of marginalised groups. Women’s groups, for example, should be led by women and groups that receive support and should contain democratic structures. At the same time, the aim of the government should be merely to enhance the organisational capacity of rural people without seeking to force these groups
into programmes and agendas defined by the government. The organisations should be encouraged to identify their own projects, the skills they have as a group, as well as potential economic opportunities in their areas. The government can then play the role of facilitator in bringing such groups into contact with NGOs, government agencies and private investors who may be interested in working with coherent groups willing to enter into binding agreements on behalf of their members.

Government support for civic associations representing the interests of various rural groups would fit into the vision advocated by the International Labour Organisation’s Guy Standing. Standing argues that in the context of flexible production processes and globalised competition, old-style craft and industrial union structures have found it increasingly difficult to represent the interests of both the existing unemployed and the soon to be unemployed. He argues that such people can only find a voice in the new market-regulated world through community groups whose purpose would be to represent those who are outside the secure, union-dominated job market. These community organisations could play a range of functions that would be in the interests of both employers and potential employees. As Standing points out, during the rise of managerial capitalism big firms undertook many of the functions designed to create a loyal labour force. However, within the new context of “outsourcing and downsizing, splintering and re-engineering, those functions may pass to labour market institutions and agencies” (Standing, 1999: 392). In addition, Standing argues, community:

organisations could also play a role as employment agencies, or as ‘employee mutuals’, independently or in combination with commercial firms, giving workers voice representation in what should be non-profit organisations. The mutuals could offer training courses, perhaps subcontracted to specialist agencies, and could offer employment services to workers according to their aspirations and skills. This would be compatible with external labour flexibility and the inability of traditional unions to cover flexi-workers effectively (Standing, 1999: 391).

Standing’s vision depends on the willingness of unions to cooperate with and promote such community organisations as well as on the readiness of employers to work with such organisations. In South Africa neither unions nor employers have provided much indication that they are willing to work with the marginalised rural poor in this way. However, NGOs and rural civic associations exist that could form the foundation for the community association envisaged by Standing. The government, through a careful, piloted and monitored programme, could provide support for such groups and such a vision of future employment by providing rural groups with funding, organisational and training support as well as a forum where they can express their views. Such a programme, once again, is not a panacea for rural poverty but, if undertaken effectively and in conjunction with all the other rural development initiatives advocated above, could make a real difference to the prospects of some rural people.
4. CONCLUSION

We believe that a workable rural development strategy must be based on multi-pronged, coordinated and effective government initiatives that are decisive enough to make a real difference to the capacity of disadvantaged rural people. No sudden, miraculous change can occur and the rural areas will remain relatively deprived for years to come. We therefore advocate that high priority should be placed on the effective delivery of services, health and education to rural people and that the ability of rural people to represent their interests be enhanced. Such interventions will allow rural people to become more productive members of society, and give them a better chance of using the economic opportunities that come their way. However, expanding the number and the quality of such opportunities remains the most important, and the most difficult, challenge for an effective rural transformation. A higher rate of economic growth and investment in labour-intensive production needs to be achieved nationally in order to expand both the employment and the accumulation opportunities available to rural people. An in-depth discussion of how such development can be promoted is, unfortunately, beyond the scope of this paper.
SELECTED REFERENCES


Beinart, W. et al. (1986) Putting a Plough to the Ground.


