



*The World's Largest Open Access Agricultural & Applied Economics Digital Library*

**This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.**

**Help ensure our sustainability.**

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

[aesearch@umn.edu](mailto:aesearch@umn.edu)

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

*No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.*

281.8  
Ag 835  
cop. 2

~~DOE~~  
DOE BRANCH

1478500

Vol. 19 No. 3  
JULY 1980

Price 40c



# Agrekon

QUARTERLY JOURNAL  
ON AGRICULTURAL  
ECONOMICS

Issued by the Department of Agriculture and Fisheries, Pretoria

# GUIDE-LINES FOR AN AGRICULTURAL DEVELOPMENT POLICY FOR THE NEW BLACK STATES OF SOUTH AFRICA WITHIN THE FRAMEWORK OF AN INTEGRATED RURAL DEVELOPMENT STRATEGY

by A. DE VILLIERS  
Economic Adviser, Lebowa Government

## Introduction

It is generally accepted by most governments and developing agencies that agriculture has an important role to play in the economic development of developing areas. The potential role of agricultural development is usually defined within the following framework<sup>1</sup>:

- Food production for self-sufficiency (as opposed to food imports).
- Food exports as an earner of foreign currency.
- Agricultural production as raw material inputs for industrial and commercial development.
- Increasing farm incomes as the basis of an expanding internal market for the goods and services of the other sectors of the economy (including a basis for taxation by the government).
- Agricultural development as it provides employment opportunities and releases surplus labour for the other sectors of the economy.

It is, however, a fact that the level and tempo of agricultural development in most less-developed countries are completely unsatisfactory and have been unable to meet expectations. In some countries of the Third World the low level of agricultural production has assumed crisis proportions<sup>2</sup>.

The same situation applies to some extent to agricultural development in the new Black states of South Africa. It has been calculated that the 10 Black states collectively possess 23 per cent of the agricultural production potential of the Republic of South Africa, yet only make a six per cent contribution<sup>3</sup>.

Over the years many 'causes' for the phenomenon of agricultural stagnation have been documented, such as the system of land tenure, the lack of farming skills, lack of credit, lack of

markets, etc. The fact that until recently no practical and workable agricultural development policy has been formulated is an indication that the definition of the causes of agricultural stagnation has been incomplete and/or off the mark at times. It is the purpose of this paper to try to identify the real causes underlying agricultural stagnation in the Black states and, on the basis of this information, to provide guide-lines for an applicable agricultural development policy.

## Present agricultural development policies

A policy document should provide guide-lines for development planning and implementation. "Policy is an act of commitment on the part of government to achieve defined objectives and the continuation of that commitment."<sup>4</sup>

The first step taken in the formulation of an agricultural development policy for the Black states was with the publication of the report of the Tomlinson Commission<sup>5</sup>.

The Commission found that, owing to the fact that most family heads were allocated land rights by their tribal chiefs, the land was subdivided to such an extent that most of the people lived on or near the poverty line. As a result of this the males were forced to supplement incomes elsewhere, which meant that no stable farming community was possible and inefficient and wasteful methods of farming were practised<sup>6</sup>.

The Commission recommended the abolition of the system of land allocation practised and recommended that it be replaced by a regrouping of land parcels into economic-sized units. These units were to be allocated to selected bona fide farmers. It was also recommended that agricultural land should be commercially negotiable<sup>7</sup>. These recommendations were not accepted by the South African Government.

The second phase in the formulation of an agricultural development policy took place some 15 years later with the formulation of an agricultural development policy by the then Department of Bantu Administration and Development<sup>8</sup>. The department found that owing to insufficient employment opportunities outside the agricultural sectors it was impossible to remove sufficient numbers of people from agriculture to provide for economic-sized units such as those found in the White agricultural sector. It recommended that provision should be made for the subsistence farmer by allowing communal property rights and individual land use rights. Commercial transactions involving agricultural land were not recommended. Agricultural production was to be increased by supplying credit and production inputs to farmers by means of the co-operative movement and the supply of technical advice and demonstrations by agricultural extension officers.

These policies are being religiously applied by the Departments of Agriculture and Forestry of the Black state governments. There is no denying that some progress has been made with the provision and improvement of infrastructures, such as soil erosion works, fencing, water provision, etc. A large number of different types of projects have been established with different degrees of commercial success. It must, however, be accepted that agricultural development in the Black states has been insufficient to provide the stimulus required for the purposeful economic development of these states. In the third phase leading to the formulation of an applicable agricultural development policy the Black state governments should now take the lead. The policies formulated from "the outside" have been somewhat out of step with certain of the realities.

Sensing the need for applicable development policies, the Lebowa Government issued a White Paper on Development Policy during 1979<sup>9</sup>, becoming the first government of a Black state to issue a policy document on this topic. The document provides policy guide-lines on 13 different aspects of development for all agencies involved in the development of the State.

In order to formulate an applicable agricultural development policy for Lebowa, the causes of agricultural stagnation had to be defined accurately. This in turn required that a true assessment had to be made of factors pertaining to the rural sector.

#### Aspects of agricultural development within the context of the rural sector

First, the economic development of Lebowa suffers from a high level of unemployment. It has been calculated that 17,5 per cent of work seekers are unemployed<sup>10</sup>. Therefore, owing to insufficient employment opportunities within and outside the State, a large percentage of the population, calculated as 70 per cent of the *de facto*

population<sup>11</sup>, depends for a livelihood on the rural sector. This fact has two serious consequences:

- A high population pressure on the land, calculated as 9,7 ha of agricultural land (grazing plus dryland/irrigation) for a family of five persons, or only 1,8 ha of dryland/irrigation land for the same family<sup>12</sup>. This indicates that economic-sized farming units in the White farm sense are not a practical proposition with the present population : land ratio.
- The presence of a large number of people in the rural sector, because of insufficient employment opportunities, means that most of them have to make a living in agriculture, either as paid labour or in commercial or subsistence farming. It follows that a large number of "farmers" are in agriculture not from their own free choice, but owing to circumstances. Such often-cited causes of agricultural stagnation as "inadequate farming skills", "no love for the soil", etc., must be linked to this factor to some extent. Likewise the cause of overcropping and overgrazing must to a large extent be linked to the unfavourable man : land ratio.

The existence of this level of unemployment means that there is no practical possibility of withdrawing people from the rural sector.

The figures above also point to the necessity of accommodating a certain percentage of the rural population in pursuits other than commercial farming. It must also be accepted that if people were to be withdrawn from their livelihood in agriculture *without* providing them with an alternative source of income, this would lead to serious social disruptions and it is therefore not a practical proposition for the government.

*Secondly*, it is clear that the system of communal land rights provides no incentive for long-term commercial farming. The fact that the land belongs to everyone means in practice that it belongs to no-one. There is no incentive for the individual landholder to make investments for improvements or even to conserve the production potential of the land because these land rights can be withdrawn by the tribal chief at any time.

*Thirdly*, to be able to produce commercially the farmer requires adequate support and incentives. Research in Africa has indicated conclusively that the small farmer produces technically inefficiently, yet economically efficiently within the framework in which he operates<sup>13</sup>. That is to say, the production functions mix, based on the inadequate resources and support services available, is economically efficient. Seen in this light, the cause of low production levels must be sought first in the inadequacies of the agricultural infrastructure rather than in the personal make-up of the farmer himself.

What is required is an *integrated agricultural infrastructure* abling farmers to produce commercially and providing the incentives to do so. This infrastructure would cover a wide spectrum,

including aspects of physical infrastructure (fencing, soil conservation, etc.) economic-sized land units, the required production inputs, tilling, harvesting and marketing facilities, credit, training, extension and management services, the institutional support of farming organisations (co-operatives, farmers' unions, etc.) and certain government measures (subsidies, price policies, taxation, etc.). To repeat, the integrated agricultural infrastructure must provide a balance between *support* and *incentives*. The practical effect of an infrastructure has been demonstrated by comparing two small-holder irrigation schemes in Swaziland and Bophuthatswana<sup>14</sup>. It is only necessary to compare present-day White farming with its counterparts in the Black states to realise the importance of a well-designed, integrated agricultural infrastructure.

*Fourthly*, in the short term agricultural projects are a viable way to increase production. To ensure that agricultural projects can be expanded, without a permanent drain on government funds, they must be able to generate expansion from their own profits. This points to the role to be played by development corporations, which by the nature of their funding procedure are forced to adopt a commercial approach with development projects. It must further be noted that real development means the involvement of the local people. This condition must not be lost sight of in the development of agricultural projects.

#### The integrated rural development strategy

Over the years many agricultural development strategies have been proposed<sup>15</sup>. What most of these strategies had in common was the sector approach to development. Agriculture was seen as one sector of the economy with certain links with the industrial and commercial sectors. These strategies failed to note the direct cause and effect links between lack of employment opportunities (and resultant settlement patterns) and agricultural development. As indicated above, agricultural development cannot be divorced from the different factors having a bearing on the development of the rural sector.

For these same reasons the development approach of the World Bank shifted in the seventies from sector agricultural development to rural development<sup>16</sup>. The recently propagated basic needs approach to development is a further extension of the integrated rural development approach<sup>17</sup>.

It is, however, clear that the integrated rural development has not yet been accepted or applied by Black state governments, with certain exceptions<sup>18</sup>. This also applies to the central Government authorities<sup>19</sup>.

The integrated rural development strategy was formulated after it became clear that a purely agricultural development strategy was unable to accommodate the total rural population. The rural development strategy defines the specific needs of the different segments of the rural population and

then develops differentiated programmes to meet the needs of each target group<sup>20</sup>. It is therefore an integrated strategy, covering the whole spectrum of rural development. Agricultural development, however, remains the core to which other development programmes are linked.

The *aims* of the rural development strategy are the following<sup>21</sup>:

- The accommodation of the total rural population on the basis of some form of livelihood within the rural sector, until such time as the other sectors of the economy are able to absorb some of these people in paid labour.
- Increasing the general standard of living of the rural people by providing them with the basic necessities through their own involvement in the different economic processes.
- The formation of a progressive agricultural basis for economic development through increased production.
- The formation of a stable rural society.

The *principles* of the rural development strategy are the following<sup>22</sup>:

- Development programmes are aimed at the most efficient utilisation of the internal resources of the rural sector (human and natural resources).
- Development programmes are based on factor relationships, which depend on the availability of the resources of the rural sector. This points to labour-intensive rather than capital-intensive projects.
- Different target groups are identified and specific development programmes devised for each.

The *first target group* are bona fide farmers selected to farm full-time at high-potential agricultural growth points. These farmers are to be supported by the integrated agricultural infrastructure.

The number and size of these growth points will be determined by the level of production required to meet the goal of self-sufficiency and/or exports. The availability of high-potential land is a prerequisite for this programme. Different methods of acquiring this land may be used, such as individual or group leases or direct purchases by the government, a corporation or its agency, or individuals. The methods will differ according to the present system of land tenure. Government intervention in some form is likely.

The aim of the production growth points is for a stable farming community to provide surplus production. This target group must provide the agricultural production input for economic development.

The *second target group* to be identified is the part-time farmers. This is the segment of the rural population which has been granted some form of land rights and is engaged in some form of farming. Owing to the fact that most of these people also have access to part-time earnings in

spheres other than their own farming operations (either within the rural sector or in other sectors of the economy), the need of this group is for the support services required to produce for its own consumption. As finances and qualified manpower are usually at a premium in developing countries, the first priority of the integrated agricultural infrastructure is to provide the full support required by the growth points, the first target group. Only after the full requirements of the growth points have been met can available services of the agricultural infrastructure be provided to the second target group. The rationale for this argument is that the second target group is only partly dependent on a livelihood in the rural sector, whereas the first target group is wholly dependent for a livelihood on farming and also has to provide the production input for further development.

The first priority of support to the part-time farmers is to make subsistence farming possible and the second priority is production above the subsistence level.

In practice it may be found that a certain number of people of the second target group do not have immediate prospects for alternative employment and have been found unacceptable, through screening, for settlement at growth points.

Furthermore it must be accepted that as the growth points are being developed, certain full-time farmers of acceptable standard will for the time being have to be accommodated in the subsistence and semi-subsistence group, until they can be settled at growth points.

Owing to a lack of employment opportunities, large scale and immediate land reform is not seen as a practical proposition in developing countries. The existence of a subsistence and semi-subsistence farming sector must be accepted as an unavoidable fact with the present level of development in these countries and must therefore be afforded a place in any rural development policy.

The development of this second target group will depend, *inter alia*, on the tempo of development of growth points and the pace at which employment opportunities can be created. These factors will in turn determine the practicability of effecting land reform measures.

The *third target group* to be identified consists of those people who do not have recourse to any form of land rights and are also partly or wholly dependent for a livelihood on the rural sector. The need of this group is for employment creation programmes within the rural sector. Different possibilities can be explored:

- Labour-intensive agricultural projects established at the growth points.
- The use of labour-intensive construction methods in the construction of physical infrastructure.
- The use of local manpower inputs in the establishment of social services (e.g. housing, school and health service projects).
- The planned localisation of the management of agricultural and other projects.

- The establishment of processing industries in the rural sector.
- The establishment of small-scale industries, such as service industries and even cottage industries, in the rural sector.

The second prong of the rural development approach is the provision of services to meet the basic needs of the rural population. Where the first prong of the policy refers to the development aspects, the second prong refers to the social welfare aspects.

Different approaches have been formulated to meet the requirements of the rural population<sup>23</sup>. The most applicable approach seems to be the basic needs approach. The approach aims to meet the basic needs of the rural population, related to available resources and within the framework of community development. Basic needs are usually defined as the provision of drinking water, health and welfare services, housing and training. The importance of the provision of these basic services to the rural population is two-fold:

- It provides a direct attack against poverty and underdevelopment with all the resultant benefits arising from this.
- It leads to an improvement in the quality of the manpower input required for economic development.

The term "community development" has been bandied around quite often recently with different interpretations. For the purpose of this paper community development is defined as the approach whereby the members of the community themselves are involved in and take responsibility for the development of their own area<sup>24</sup>. To be able to "help themselves" the people require the selective support of the government or its agencies. This implies that social services are not to be supplied free of charge to the people. The people themselves are required to supply some sort of input, usually labour. This principle is applied in Lebowa with the provision of water facilities to rural communities and the building of the community schools. With some self-help programmes, the labour input receives only a basic remuneration, less than the actual cost of the labour, for example the roads for food programmes of Lesotho.

Finally, the integrated rural development strategy requires a specific *constitutional framework* for the planning and implementation of the strategy<sup>25</sup>:

- A national rural development plan, defining the objectives, targets and programming of the development actions and the manpower and financial inputs required.
- A central organisation, such as a rural development council supported by a government agency such as a planning directorate, to co-ordinate and direct the different agencies involved in rural development, namely government departments, development corporations and local authorities.

- Because one of the cornerstones of the rural development strategy is the direct involvement of the rural people themselves, development functions should be decentralised to local level, e.g. local authorities, agricultural co-operatives, local committees, etc.

#### Application of the integrated rural development strategy

The rural development strategy can be applied in different phases:

- In the *first phase* the government must formulate its development policies with specific reference to rural development. For this purpose governments should issue an official policy document<sup>26</sup>.
- In the *second phase* a start must be made on the development of the core projects (also known as centrally managed projects) at the chosen growth points. The best core projects are those based on proven commercial product(s), tightly managed and if possible labour-intensive<sup>27</sup>. An in depth study of the viability of a project, using the cost-benefit analysis techniques, must precede the establishment of any project<sup>28</sup>.
- As soon as the core project is well established, the *third phase* can begin with the provision of the integrated agricultural infrastructure services to satellite farmers linking up with the central core project.
- As the *fourth phase* the available services of the agricultural infrastructure must be extended to the subsistence and semi-subsistence farmers of the area.
- As the *fifth and last phase* the basic needs approach must be implemented. This will mean the extension and consolidation of present services in rural areas.

The different phases follow each other and the implementation of the one phase stimulates the next.

Throughout the process clear planning and co-ordinated action is required.

#### Conclusion

The above indicates the guide-lines for an integrated rural development strategy. Aspects of this strategy have been applied by the different Black state governments for some time. However, the time has now arrived for these governments to view the complete strategy as an integrated approach, if any real progress is to be made with rural development. It is clear that the strategy provides a solution to the dilemma of stimulating economic development by means of increased agricultural production and the creation of employment and incomes without having to disrupt the subsistence sector, which would lead to the displacement of unemployed people over the short and medium term. Over the longer term, as development of the growth points gains

momentum, specific attention must be given to land reform measures in order to involve the present subsistent sectors more directly with economic development.

#### References

1. Meier, G.M. Agriculture's contribution to development. In: Leading issues in economic development. Third edition. New York, 1976, pp. 563-568.
2. McNamara, R.S. Address to the Board of Governors of the World Bank. 24 September 1973, Nairobi; 1 September 1975, Washington, D.C.; and 26 September 1977, Washington D.C.
3. BENSO. Black development in South Africa. Pretoria, 1976, p. 79.
4. Cochrane, W.W. Agricultural development planning. New York, 1974, p. 48.
5. Union of South Africa. Verslag van die Kommissie vir die Sosio-ekonomiese Ontwikkeling van die Bantoegebiede binne die Unie van Suid-Afrika. Pretoria, 1955.
6. *Ibid.*, p. 114.
7. *Ibid.*, p. 118.
8. Department of Bantu Administration and Development. Beleid vir die ontwikkeling van die landbou in die Bantoe-tuislande, Pretoria, 1970 (unpublished).
9. Lebowa Government. White Paper on Development Policy. Department of Finance and Economic Affairs, Seshego, 1979.
10. BENSO. Die bepaling van 'n werkloosheidsyfer en 'n minimum en aangevulde lewenspeil vir Swartes woonagtig in Lebowa. Pretoria, 1978 (unpublished), p. 9.
11. Calculated by Section Economic Affairs, Lebowa Government.
12. Calculated by Section Economic Affairs, Lebowa Government.
13. See for example: Schultz, T.W. Transforming traditional agriculture. New Haven, 1964.
14. De Villiers, A. A new approach to the planning and development of smallholder irrigation schemes in Southern Africa, S.A. Journal of African Affairs, Vol. 7, No. 2, 1977, pp. 107-114.
15. See for example: Mellor J.W. Economics of agricultural development. Revised edition. Ithaca, 1974, or Wharton, C.R. (ed.): Subsistence agriculture and economic development, Chicago, 1969.
16. See for example: Lele, U. The design of rural development, lessons from Africa. Baltimore, 1975.
17. See for example: Streeten, P.P., and Burki, S.J. Basic needs, some issues. World Development, Vol.6, 1978, pp. 411-421.
18. Lebowa Government. Rural development policy. White Paper on Development Policy, *op.cit.*
19. Report of Development Strategy Committee to Minister of Co-operation and Development. Pretoria, 1979 (unpublished), p. 10.
20. World Bank. Rural development. Sector Policy Paper, Washington D.C., 1975.
21. World Bank. Rural development, *op.cit.*, pp. 16-18.
22. World Bank. Rural development, *op.cit.*, pp. 28-57.
23. Lisk, F. Conventional development strategies and basic needs fulfilment: a reassessment of objectives and

- policies. *International Labour Review*, Vol. 115, No. 2, 1977, pp. 175-191.
24. See for example: United Nations. Department Economic and Social Affairs. *Community development and national development*. New York, 1973.
25. World Bank. *Rural development*, *op.cit.*, pp. 33-40.
26. See for example: Lebowa Government. *White Paper on Development Policy*, *op.cit.*
27. A few of these types of projects have already been established, e.g. the Tours Coffee Project in Lebowa.
28. See for example: Gittinger, J.P. *Economic analysis of agricultural projects*. Baltimore, 1972.