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# The Influence of Institutional Factors on Agricultural Development in Less Developed Areas

by

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## THE SITUATION

To be able to establish the influence of institutional factors, it is necessary firstly to look briefly into the position in the less developed areas (and more especially in the Bantu homelands of the Republic) in respect of the institutional factors in question. Only when an idea of this has been acquired, can its influence on development in general and agricultural development in particular be determined.

The traditional Bantu community structure does not make provision for a variety of organisations to regulate the different facets of the community life. The institutional development is characterised by simplicity and is perhaps best expressed in the following quotation from the report of the Sosio-economic Commission.<sup>1)</sup>

"The Bantu system of government derives its authority from the chief-in-council, while the tribe and the tribal land are subdivided into larger or smaller administrative units as the case may be. The whole tribe is like a pyramid, directed towards the chief who is at the apex of the political structure, the law, defence, economic development and, last but not least, the religious life of the community."

It is therefore clear that, in the traditional Bantu community, the whole continuum of communal activities falls under the supervision and the regimentation of the one central, supreme organisation.

A second important accompanying fact which has an important impact on the progress of development of the Bantu, is that agriculture is traditionally the most important economic activity of the community. As can be expected, agriculture is to a particularly large extent entwined with nearly all aspects of Bantu culture - with the political, the religious, the social and many other aspects. In traditional agriculture allowance must be made, for example, for rain rites, magical treatment of cultivated fields

and seed, ritual opening of the harvest, abiding by a fixed agricultural calendar, etc. The land area is traditionally the communal property of the tribe with the tribal head as trustee and each head of the family is entitled to the use of a building site and an agricultural site for each of his wives individually. The authority of the tribal head is based largely on his trusteeship of the land. Division of labour within the family among parents and children, among male and female members of the family is to a large extent influenced by their respective roles in the political and social order and in the defence of the state. In this way the functions pertaining to activities or symbols which give status, symbolise wealth, allow time for participating in politics or warfare, etc., are allotted to the men and the functions which are of a routine or continuous nature, to the women. Animals have a socio-religious value as marriage goods and sacrificial animals and as such their care is entrusted to the man, and the woman may in many instances not work with animals at all nor enter the cattle-kraal.

A third generally known fact must be mentioned for the sake of clarity to complete the picture and to supply the background against which the problem and its solution must be seen. It is, namely, that the traditional national economy was principally a subsistence economy. Although differences in skill between tribes or between villages of the same tribe resulted in the development of some barter it was small and mostly confined to special articles (especially metal work) the manufacturing process of which was a family secret. Barter in livestock occurred to a certain extent but also this was relatively insignificant and seldom had an economic motive - rather a socio-religious one. The occurrence of a particular kind or quality of raw material in a tribal area sometimes resulted in such a tribe becoming known for the manufacture of high quality articles from the particular raw material, and barter developed - examples of this are clay pots and basketware. In general the same, however, applies to all the Bantu according to what Krige says of the Zulus, namely:<sup>2)</sup>

1) Summary of the Report of the Commission for the Socio-economic Development of the Bantu Areas within the Union of South Africa, Pretoria, Government Printer, UC 61/1955, p.4.

2) E.J. Krige, The Social System of the Zulus, Pietermaritzburg, Shuter and Shooter, second edition, 1950, p.211.

"As each village is practically self-sufficient among the Zulus, there was little of what Europeans understand by trade in Zululand in the early days".

In short, thus, there are three aspect of importance which must be taken into consideration when the influence of the institutional factors on the development of agriculture in the traditional community is to be investigated, viz:

- (a) No separate organisations exist which serve agriculture specifically,
- (b) agriculture is an inherent part of the whole socio-cultural pattern of the community and is consequently very strongly culture-bound, and
- (c) traditional agriculture is practically the only economic activity in what is basically a subsistence economy.

#### THE INFLUENCE OF INSTITUTIONAL FACTORS ON AGRICULTURAL DEVELOPMENT

The influence which these factors have on agriculture is obvious. Integration with culture means that change takes place slowly, because culture changes slowly. The absence of differentiated organisations or, as Young et al expressed it<sup>3)</sup> "the diversity of publicly-discriminated meaning areas maintained by the community" by which agriculture can specifically and singly be served, entails that no facilities for distribution of means of production, no marketing channels, no means for the granting of credit, etc., exist for agriculture. But, last but not least, in a subsistence economy there is little or no need for such facilities and the situation in the traditional community is in harmony and in balance.

As soon, however, as there is talk of development, of the transition from a subsistence economy to a diversified market economy, the position changes appreciably. Then the lack those of facilities becomes a serious limiting factor. A progressive, highly productive agriculture, after all, utilizes a wide variety of inputs which act complementarily to one another. These include both the more generally recognised factors such as land, labour and capital, and others which are not always so readily recognised, namely those which are mostly of a technical, educational or institutional nature. That these factors are important, is not to be doubted, mainly for two reasons:

- (1) Firstly, they are factors which influence in a complementary way the more conventional factors, and which determine the effectiveness of these factors which are at least more of a physical nature.
- (2) Secondly, they are factors which create the favourable "climate" or milieu ("pre-condition") under which the others can operate.

Mellor<sup>4)</sup> is also of the opinion that the extent to which the inputs of a technical, educational and institutional nature are present or absent, determines the difference between a progressive and a backward agricultural industry.

#### THE ROLE OF INSTITUTIONAL FACTORS IN AGRICULTURAL DEVELOPMENT

Institutional factors, together with other non-conventional as well as conventional factors, thus play a role in the development of agriculture in less developed areas. How important this role is, can only be determined if it is seen in perspective with the other factors, especially as far as availability is concerned, because it is an axiom that the level of production is determined by the extent to which the scarcest production factor is present.

Now it is a characteristic of primitive agriculture that some production factors or inputs are present in abundance while others are absent, or only present to a small extent. Although one can argue about it in certain respects, Mellor gives a classification of scarce and plentiful factors which forms a convenient basis for discussion and simultaneously identifies the role of the institutional factors. He mentions labour, capital and land as relatively plentiful factors. About the fact that labour is present to a sufficient extent, there certainly can be full accord although experts on the traditional community point out that so-called free time for the Bantu is in fact no free time, but time which in the traditional community is of necessity used in contributing to tribal management and the safety of the state. The fact however remains that, if development takes place, manpower is present in profusion especially in relation to some other factors, because of the absence of avenues of employment in other industries.

It is however the general view that capital is a scarce factor in areas like the homelands and similar less developed areas. Mellor's approach, endorsed by our experience, is however that it only applies to certain forms of capital and not so much to capital in agriculture, which can be generated by the utilization of the abundance

3) F.W. Young, B.A. Spencer and J.L. Flora, "Solidarity in Agricultural Communities", Human Organization 27(4): 344-51, Winter 1968, p.344.

4) J.W. Mellor, "The Process of Agricultural Development in Low-income Countries", Journal of Farm Economics, Vol. XLIV, August, 1962.

of labour. He mentions as an example the digging by manual labour, of a draw-well. Such forms of capital must, according to Mellor be regarded as being profusely present to the same extent as labour is present. In contrast to this it must, however, be clear that certain forms of capital, and especially working capital for the purchase of means of production, cannot be regarded as adequate. For this reason capital cannot without qualification be classified as a plentiful factor, but it can indeed be accepted that the forms of capital which are actually available are not fully exploited and utilized.

As in the case of capital, land is also mostly identified as a scarce factor because of the great population pressure. The fact, however, is that production on the available land in a less developed area is low and that, supplemented by other, scarce factors, it could maintain a much higher production. In this sense it is not a scarce production factor.

Mellor then identifies the following scarce factors:

- "1. Institutions to provide incentives.
2. Research to develop improved production possibilities.
3. Production facilities for physical inputs of new and improved forms.
4. Institutions to service agricultural production, and
5. Education to help farmers to make choices."

In so far as it is not already included by implication in item 5), I should like to add a sixth factor, namely managerial skills, which are largely lacking in the traditional community, not to care for the traditional institutions, but to bring about the renewal which is a precondition for development.

Items 2, 3 and 5 speak for themselves and need not be enlarged upon. In the context of this paper the remaining factors relating to managerial skills and institutions are, however, of particular importance.

To repeat, in the traditional subsistence economy there is little or no need for the facilities which can be provided by specific agricultural organisations. In his summing-up of expert opinions about the development of less developed areas, Leistner puts it as follows:<sup>5)</sup>

5) G.M.E. Leistner, European Views on the Development of poor Countries, Africa Institute of South Africa, Occasional Paper No.22, roneoed 1969, p.12. See also section 9 of Leistner's paper in this issue.

"Generally, where equilibrium exists, the people are reasonably healthy, the traditional needs and wants prevail and can be met, there is no loud clamour for change, and thus the climate of opinion is not particularly conducive to development efforts".

Therefore, before development can take place, it is necessary that this "climate" to which reference has been made, be changed. It is a phase of agricultural development which is not generally acknowledged and which has appeared clearly from experience in less developed areas in the past decade or two. The development in Japan during the last century also confirms this experience. In the less developed areas it is a phase which applies as an absolute precondition for further development. Mellor identifies it as the first phase in the development of agriculture in less developed countries and calls it "Providing agricultural development preconditions".

Now it is a characteristic of the tradition-bound community (in which agriculture is strongly culture-bound) that the incentives to develop and change, develop with difficulty in the individual because of his traditional restraint and in the case of agricultural development because of the culturefixity of agriculture. The individual's action, his behaviour within the community, is subject to such strong precepts of communal norms and beliefs that as an individual he dares not throw off the bonds. The individual would not, e.g., risk gathering his own harvest before the ritual opening of the harvest has been concluded by the tribal head. Should he do it and a disaster damages the harvest or even a subsequent harvest (e.g. hail or drought) he will be blamed for it and will have to suffer the punishment.

But it is quite a different matter if the community as a whole slowly but surely begins to disregard the superstitions and the traditional customs. Then there is no talk of retribution against an individual. Such action, however, does not readily arise spontaneously, and one or other form of organisation is necessary. In the traditional community there exists only one form of organisation, viz., the body of authority. As custodian of culture and of religion, it can be expected of the tribal authority to take the lead in this respect, although it may in the more modern concept of agricultural management fall within the scope of such an authority's functions, which naturally is not the case.

Although he holds in some respects a different view about the introduction of specific forms of organisation (especially in respect of timing) Mosher recognises the basic necessity of this process as a precondition for development. He puts it thus:<sup>6)</sup>

6) A.T. Mosher, "The Sociologist in Agricultural Development", Rural Sociology 29(1): 18-29, March, 1964, pp.28-9, 20. (My underlining.)

"One of the great needs at early stages of development is for individual persons to shake loose from the inhibitions of society and to begin to exercise the imagination, the inventiveness, and the creativity of which they are capable, but which must fight against current social sanctions and organizational patterns."

and further

"Organization contributes in two ways: as an instrument of group action and as a modifier of psychological drives through the influence of group action on social values and sanctions."

In addition to the need for a form of organization to mobilize the individual members for this purpose, the traditional community should also be activated, motivated in other ways; there should be stimulation or incentives for modernizing with a view to increased production. For the individual in the traditional community there exists no incentive. Should he as an individual achieve higher production even within the framework of the traditional customs, he exposes himself to victimization and even expulsion from the tribe. In Lesotho, e.g., a family has three cultivated fields at its disposal - one in the Highlands for the production of wheat, one in the Lowlands for summer grain, and a "garden" next to a small stream or water source. Even today, should a man produce sufficiently to be able to market a reasonable amount of his produce, he is in danger of being deprived of one or more of his lands on the grounds that he gets more from the tribe's communal territory than he needs (or than the average tribal member gets out of it) while there are others who can get no share because of the population pressure. However, as soon as all tribal members, or the majority are in the favourable position, that they all have surpluses to market, the argument falls away and his share is then only equivalent to the average.

Besides this the old axiom, that the level of living of the community also determines the standard of living of the individual within the community, applies equally to the Bantu. The classical case of the Bantu farmer who made in one year almost R1,000 from his crops and then did not do a stitch of work for two years because he had enough to live on, is a valid example of this phenomenon. Consequently the incentive for the individual in the traditional community can originate in particular from joint communal action which requires a definite form of organization.

For these reasons the establishment of institutions to create the "climate of opinion" is precondition for development because through it the "preconditions for agricultural development can be established."

A second form of institutional development which is necessary for stimulating agricultural development is the establishment of organizations or institutions which can render services to

agriculture. Because of little purchasing power in the subsistence economy there is usually a lack of distribution channels through which means of production and products can flow to and from agriculture. Existing trade channels are not efficacious for the purpose because of defective transport facilities from the sparsely spread distribution points to the production units. The same applies to services like repairs, transport, channelling of credit, etc. Before agricultural production can be increased these gaps must of necessity be filled, and it speaks for itself that each individual cannot undertake it personally. It requires some or other form of organization to do it.

In a development programme there exists further the urgent need of a form of organization which can undertake the physical development, the exploitation of the potential and which can establish the physical facilities. In this connection soil conservation works, water supplies, roads, irrigation layout, etc. are of importance - that is to say, facilities which can be utilized by a group or community jointly. The establishment of these facilities requires a form of organization of some kind or another, seeing that the individuals (except in very exceptional cases) are not able to undertake it themselves within the framework of a small-holding system of farming.

A third "scarce" production factor which justifies discussion in the context of this paper is managerial skill. That the Bantu, and as a matter of fact anyone in a less developed area, experiences a lack of managerial skill to be able to handle the more modern farming industry speaks for itself. That it has an important obstructive effect on the modernizing of agriculture can surely not be doubted. These phenomena again result from the nature and composition of the traditional community in which the individual gets little opportunity to acquire managerial skill through practice. There is little opportunity and also little need for it, either for the individual or the community.

As soon as it is decided, however, to provide institutions to fill the gaps to which reference has already been made; as soon as it is envisaged to modernize the agricultural industry, a definite need arises for a higher level of managerial skills than is available. These managerial skills are not only necessary in the individual farming enterprises, but also in the institutions and organizations which may be necessary.

To sum up once again: although the absence of agriculturally orientated institutions in the traditional community, where needs and the satisfaction of needs are in balance, creates no problems, it is not the case when a development programme for less developed areas is to be tackled because then at least four fields can be identified where supplementing at the institutional level is necessary, viz:

1. In the field of the creation of attitudes;
2. in the field of motivation and activation;
3. in the field of rendering services;
4. in the field of managerial skills.

Although one does not want to hold that the supplementing of lacking factors of an institutional nature will alone overcome all problems in respect of agricultural development in less developed areas, I wish to express the opinion, based on experience in the Bantu areas of the Republic, that it does play an important role, if not the most important role, in the successful launching of a development programme.

This statement is based on a number of considerations most of which have already been mentioned, but which can again be touched on briefly by way of emphasis:

1. In the static traditional communities which we find in the Bantu homelands, no movement can develop in the direction of renewal unless in some way or another a process of activation takes place. In other words, a development programme will not and cannot find acceptance and gain application before activation does not take place. It can best happen by way of institutional development which takes place prior to and complementary to other development.
2. Although a variety of inputs are necessary to bring about increases in production (seed, fertilisers, tractive power, etc.,) it is impossible in practice for the average Bantu farmer to acquire these unless some channel is created to fill the gap in the present setup.
3. Increased production and the change-over from self-supporting to commercial production achieve nothing unless marketing channels for surplus products exist or develop. An important phenomenon has also been experienced in the homelands, viz. that marketing was the predominant factor which provided the stimulus for the Bantu to break away from his traditional view of livestock as a socio-religious heritage and to regard these as economic assets. The change which has already set in (and livestock to the value of R3.7 million was sold in 1968 by Bantu owners) was especially stimulated by the introduction of an efficient marketing system.
4. The lack of services for agriculture even at this stage impedes the efficient application of any form of mechanization, even the simplest.

The conclusion can thus be drawn that institutional factors can be regarded as one of the scarce "production factors" which must be supplemented to increase agricultural production. The importance of these factors in relation to other possibly equally scarce factors is, however, increased when it is taken into consideration that the supplementing of institutional factors is necessary in some respects before other scarce factors can be supplemented and before any renewal whatsoever can take place.

## THE NATURE OF INSTITUTIONS REQUIRED TO FILL THE GAPS

When one thinks about the nature and form which any development must assume (including forms of organization) there is one important factor which may under no circumstances be lost sight of. This is, that while it is an unavoidable fact that development of necessity entails change, the change must be organic and must take place in a balanced way. In the case of agricultural development specifically, the fact emerges that agriculture is so strongly culture-bound that agricultural development can and should only take place if complementary changes in the socio-cultural pattern take place simultaneously. Should it not happen the socio-cultural pattern is disturbed and it may result in serious repercussions. The institution of agricultural planning serves as an example which, if not applied circumspectly, can easily lead to the complete disintegration of the pattern of authority. Similarly, the family bonds as cornerstones of the community can easily disintegrate when there is interference with the traditional rituals connected with them, without at the same time replacing them by other equally strong bonds.

A second important factor which should be taken into consideration is that institutions modelled on the Western pattern mostly do not fit in with the traditional communities. It would be of no avail to want to transplant known Western systems unchanged onto the Bantu community because they do not fit in with their pattern of life and are therefore not acceptable to them. In addition the Bantu is not in a position, nor does he have at his disposal the experience, to be able to handle them.

In this connection Terreblanche holds an interesting view, which at the same time emphasizes the necessity for both the establishment of institutions and forms of organization and their adaptation to the Bantu. He reached the following conclusion:<sup>7)</sup>

"Just as we are striving in the Transkei and in the other Bantu homelands to bring about political organizations which fit in with the national character of the Bantu, similarly we must strive to develop such economic institutions and forms of organization in the homelands, which on the one hand will correctly gauge the true order of preference of the Bantu's (individual and collective) needs, and on the other hand will allocate production factors appropriately for the realization of the order of preference of the needs in question."

7) S.J. Terreblanche, "Die Beleid van Afsonderlike Ontwikkeling en Ekonomiese Wetmatigheid", *Journal of Racial Affairs* 19(2): 25-34, April 1968, p.34. (Quotations translated; my underlining.)



And then further:

"..... and we will have to look for collective and/or co-operative forms of organization which will more efficaciously fit in with the cultural nature and way of life of the Bantu."

The question that therefore has to be answered is: What form must the organizational institutions assume in the less developed communities in order on the one hand to supplement the gaps which exist and on the other to comply with the requirements as far as adaptation is concerned?

From the nature of the case, in the reply to this question no general direction can be prescribed which will be valid for all cultural groups because the special socio-economic circumstances of each will determine the special form and nature of the institutions. What is thus recommended here is valid for the circumstances under which the Bantu of the Republic live, and only the basic directives contained therein can be applied generally to design elsewhere special locally orientated schemes.

In practice there are in particular four basic directives which determine the nature and form of the institutions:

1. The needs which have to be satisfied;
2. timing;
3. the inherent characteristics of the human material and what it is capable of; and
4. the specific national culture and the existing pattern of authority.

From what has thus far been discussed the needs have already been identified. Summed up, it means in practice that there exists a need in the Bantu homelands for organizations and institutions to fulfil the following three functions:

1. To undertake communal development projects. This refers to one aspect of the field of rendering services.
2. To create the "climate" for development and to provide the stimulus - this refers to the creation of goodwill and activation which have already been discussed and both of which are included here.
3. To render communal services to agriculture - this refers to the other aspect of rendering service which has been discussed previously.

The fourth field, the supplementing of managerial skills, has been included in all three functions mentioned.

The manner in which the three needs are satisfied in the case of the Bantu areas, will now be discussed separately on the basis of the three directives mentioned.

## COMMUNAL DEVELOPMENT PROJECTS

The establishment of irrigation schemes, roads and means of communication, soil conservation works and similar capital works in the homelands cannot be undertaken by the individual Bantu farmer. As peasant he is on the one hand financially unable to do so and on the other hand the holdings are small and separate works for each holding are not justified. More important still is the fact that the system of land tenure (tribal ownership) is of such a nature that it does not encourage the farmer and in some respects does not even allow him to do it. Consequently it is the function of the State or Government to undertake these works, although some of them, as e.g., small-scale irrigation works, soil conservation, fencing, watering-places for animals etc., are not in the conventional Western economy the function of the State.

To fulfil this function the traditional institutions must obviously undergo a change. The traditional form of tribal authority which exercises authority over everything taking place in the community will of necessity have to be amended to comply with the requirements of more modern government administration.

The respective functions should be delegated to various authorities and a diversified administration should come into being.

It is not intended to elaborate on the political development except to mention that this process has at this stage advanced far in the Bantu homelands. With the development stage which has already been achieved the different Bantu authorities have been put in a position to carry out their responsibilities for the establishment of their share of the preconditions for the development of agriculture. The process according to which the political development takes place also complies fully with the other two directives to which reference is made and is indeed developing in the main with the directives as starting points.

## "CLIMATE" AND STIMULUS

The responsibility to create the right pre-condition for development does not rest solely with the government - the community itself must also contribute its share. But still more, by virtue of the assumption that self-imposed changes and development have more meaning and are more permanent, people themselves should participate in the planning and carrying out of development programmes. If this happens, there is less danger that the changes which are necessary will bring about dislocation in the community structure against which a warning has already been sounded. Ross states:<sup>8)</sup>

8) M.G. Ross, Community Organization: Theory and Principles, New York, Harper and Brothers, 1955.

"The dangers of adjustment to rapid and imposed changes have been persistently emphasized, especially by anthropologists, who see the intricate web of social organization the whole of which is affected by change in any part. It is not that such changes cannot be imposed and made permanent; it is that a community without any sense of participating in, or conscious planning of adjusting to, imposed changes, may become completely disoriented."

It is therefore clear that there is a need for some or other form of organization within the traditional community to serve this purpose as far as agricultural development is concerned. If at the same time it also stimulates development in the spheres of community life, it can only be to the good, although it is fortuitous and complementary to the development of agriculture.

Now Mosher warns against introducing formal organisations too quickly at too high a level in a traditional community and he puts the accent on the importance of the right "timing of institutionalisation." He is of the opinion that:<sup>9)</sup>

"I would even be willing to argue.....that what is needed at early stages of development is less formal organization rather than more."

That a too early introduction of highly formal forms of organization can have a less favourable effect on the permanency of the community's interest and participation, is not to be doubted - it stems from the inherent characteristics of formal organizations, upon which there is no time to enlarge.

It was therefore necessary, as first phase in the programme of development for the homelands (that is to say the first phase following upon the steps taken in respect of political development) to find a form of organization which fits in with these considerations, while still complying with the need for a differentiated organization aimed at agriculture.

The solution was found in the "extension committee." Such a committee was composed of a number of informal leaders in the community who were identified by a variety of methods. Because they had at that stage already been accepted by the community as leaders, they can act as a mouthpiece for the community, knowing that the community will in broad outline accept their point of view. In addition, from the nature of their leadership they are in contact with the people and there is continuous informal consultation which ensures that they always remain the effective representatives. They are selected as a committee by the traditional tribal authority so that no possibility arises that the tribal authority distrusts the committee or its motives.

9) Mosher, op. cit., pp. 27,28.

The function of the extension committee is briefly to determine what the most important problems and the causes for the problems are in respect of agricultural production. Then they must with the advice of the extension officer, find solutions for the problems and perhaps most important of all, in co-operation with the community itself determine how they are going to apply the solutions and have the improved practices find acceptance by all. This action is modelled on the principles of programme planning where the community itself, through the extension committee, undertakes the whole process and only depends on the officer for technical guidance. The level of action is naturally dependent on the inherent managerial skills of the available human material, while opportunities are obviously created to develop the managerial skills through practice. In this way all the directives already mentioned are therefore complied with, while the right "climate" and goodwill for renewal and the acceptance of new practices by the community is created.

#### COMMUNAL SERVICES

The establishment of an organizational set-up to comply with these needs emanates from the coming into being and the work of the extension committee. It tallies with the provision that formal organization must not develop too soon and should develop only when there is a specific need for it. Roode states, e.g.:<sup>10)</sup>

"The first characteristic of organizations is the fact that they are brought into being for a definite purpose."

As the extension committee's programme for modernizing agriculture progresses, the subsistence economy in which needs and the satisfying of needs are in equilibrium, is thrown off balance in the sense that needs arise which were previously unknown. In the first place a need for means of production arises. As production increases (and in the case of livestock production even from the beginning) a need for marketing channels also arises. In general there is, however, first and foremost and predominantly a need for means of production.

At this stage it is however necessary to consider a more formal form of organization. The nature of the need allows no other choice than to consider the co-operative system as such an organization.

10) D.C. Roode, "Die Mens as Sosiale Wesen met Spesiale verwysing na Groepvorming", Paper read at conference of the South African Institute of Agricultural Extension, reneod, August 1969. (Quotation translated.)

Co-operatives with the Bantu must, however, especially in the beginning, not be seen as large-scale or as "full-scale" co-operatives. Apart from reasons such as lack of training and experience of personnel and management and the like, the most important reason for this lies in the fact that one has to work with such a large number of small producers. An analogy with a co-operative belonging to Whites will perhaps explain the principle best.

These co-operatives have as members and customers, a number of producers who are mainly commercial farmers and, in comparison with the Bantu farmer, maintain a large production and therefore use means of production on a large scale. Thus, the Bantu producer as individual is not at all comparable to the White producer. A co-operative which tries to serve each individual Bantu producer directly will find itself in a position in which the administrative and other overheads connected with thousands of small accounts of producers are so high that it either will have to levy unacceptably high commissions, or work at a loss.

On the other hand, a group of Bantu producers who occupy the same land unit, is approximately comparable to an individual White producer. Exactly the same problems are experienced with soil conservation and planning and therefore an adjustment is made by the grouping together of Bantu producers in residential areas, each residential area with its own block of lands and grazing camps. All the inhabitants of such a residential area and the land which they use, are approximately equivalent to the individual White farmer and his production unit or farm. If a co-operative can number such groups as its members and customers, such a co-operative can have a much better chance to succeed and function more or less as a business undertaking as it should.

It is also the experience elsewhere in the world with peasants, and in this connection it is of importance to take note of the world famous Raiffeisen system of credit co-operatives and the Schultz-Delitzsch system of marketing co-operatives which were developed especially in Germany and subsequently up to the present have been copied in several other countries in Europe and elsewhere. These systems possess the characteristics in particular of:

- Mutual assistance,
- self-reliance, and
- personal administration.

Only when the peasants are organized in groups for reciprocal rendering of aid, mutual independence and personal administration (with the accent on the latter) will they be able to act effectively and be served together as a group, within a fully-fledged co-operative which can then be a self-supporting business. It is indeed only then that the need for a fully-fledged co-operative comes into being.

It is therefore clear that with the Bantu there is a necessity for co-operation at first on a lower level, then to build up to fully-fledged co-operation in the generally accepted sense of the word. The first level of co-operation must ensure the bringing together of numerous small producers, thereby creating the more acceptable customers for the fully-fledged co-operative. The lower level of co-operation is, however, not for that reason in any less degree co-operation, just because it acts on a lower level, but is in the basic concept of co-operation completely equivalent to any large scale co-operative business which exists in the White areas.

Elsewhere in Africa there is plenty of evidence that the co-operative movement can succeed on this basis among the less developed people. In the ten Commonwealth countries of Africa which attended the United Nations Food and Agricultural Organization's Conference on Agricultural Credit at Addis Ababa in 1962, there were at that stage more than 1 million members of 7 300 co-operatives with share capital of R9 million, reserves of R16.5 million and deposits of R3.5 million. Products marketed by these co-operatives amounted to more than R100 million.<sup>11)</sup>

In Rhodesia, in the short space of about eight years, 200 co-operatives came into being among the Bantu, all on a small scale and confined to community needs.<sup>12)</sup>

It is obvious that it is absolutely necessary to allow a reasonable period for the Bantu to acquire the art of managing a co-operative. It is also clear that the smaller beginning, in the form of small-scale co-operatives, offers an ideal training ground for the training of a group of potential co-operative managers.

It further speaks for itself that the management and running of co-operatives, either primary or secondary, should comply with the same strict requirements as is the case with the co-operative system in any circumstances. Therefore it is necessary to confine the scope and functions of each separate primary co-operative to the standard and the level which can be satisfactorily handled by the local managerial skills. The scope can grow as the skills are supplemented by practice and training, and from the nature of the case the need for a larger range of activities will grow parallel with, this.

11) Report of the Development Centre on Agricultural Credit for Africa, Rome, Food and Agricultural Organisation of the U.N.O., renewed, 1962.

12) F.J. Wilson, Paper read at Symposium on Agricultural Credit at Umtata on 17 September 1965 (renewed).

It is also self-evident that training in the co-operative system, for members, members of the board of directors and managers, is an important requirement for the sustained progress of the co-operative system by less developed communities. Indeed, training of members, from the bottom up, in the spirit as well as in the practice of co-operation is accepted generally as a prerequisite.

Just as in case of the extension committee, it must be ensured that good collaboration between the co-operative (that is to say the community's own organization) and the tribal authority is established. In practice this is best done by letting a member of the tribal council serve ex officio on the co-operative management.

The function of these co-operatives in the homelands is basically the same as that of any other co-operative, and while the functions are generally known, these need not be dealt with in detail. It is, however, necessary to stress that by virtue of the pattern of settlement on small holdings, the co-operative has a much more important role in many respects than is the case in other circumstances. It is inter

alia the only practical channel for the provision of credit for working capital and is in addition to a much larger extent an instrument of extension.

## CONCLUSION

There can be no doubt that properly arranged and adjusted organizations must play a special role in the development of agriculture of less developed countries. Although it cannot rightly be held that development without these organizations cannot take place at all, it can indeed be stated that the tempo of development can considerably be accelerated thereby, and especially that the development in the initial stages is largely dependent upon the stimulus that can be given to it by the right institutions.

It can, however, not be sufficiently stressed that institutions and organizations must be adapted to the special socio-cultural circumstances of the people to whom they relate, and that new norms and new standards for such institutions must be found in each given situation.