

**W**hat are the prospects for rural economic development in South Africa? Against a backdrop of continued shedding of agricultural employment, there is little to celebrate: neither small-scale agriculture nor rural small, medium or micro-enterprises (SMMEs) appear to be able to pick up the slack. Nor do direct government development interventions appear to have a significant presence in the countryside. These are the conclusions of an HSRC report, *Trends and Policy Challenges in the Rural Economy*.

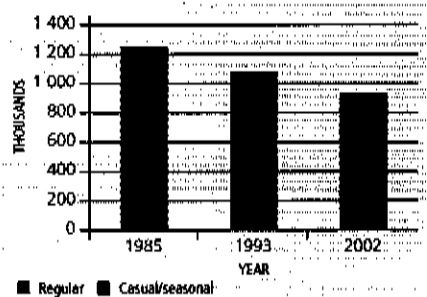
The report is based on four provincial case studies, each undertaken by a different individual or team. They are drawn from Limpopo and KwaZulu-Natal, where the authors conducted primary research; and the Western Cape and Eastern Cape, where the authors drew on data collected as part of other research projects. The main objective of the exercise was to examine the significance for rural dwellers of four different sectors:

- ▶ The commercial agriculture sector, in particular its ability to absorb labour;
- ▶ The subsistence/small-scale agriculture sector, particularly within former homeland areas, and especially in response to anecdotal evidence that there has been a decline in land use in these areas in recent years;
- ▶ The non-farming micro-enterprise sector in rural areas, whether in former homeland areas or elsewhere; and
- ▶ Government projects, with an emphasis on group-based projects, whether past or present.

Taken together, the case studies support the picture of a commercial farming sector that is less and less able to support the rural population, yet has not been replaced by anything else of adequate impact. The trend of labour displacement in the sector seems to be continuing unabated (see Figure 1).

The significance of this trend is even more alarming in view of the fact that, as of 1999, farm employment was the single largest source of employment for rural blacks. While government has committed itself at various junctures to halt and even reverse this pattern – the most recent expression of this being the recently unveiled Accelerated and Shared Growth Initiative (ASGISA), which identifies agriculture as a strategic growth area – it appears unable to exert much influence on an industry comprising tens of thousands of independent

Figure 1: Long-term trends in agricultural employment



Source: Agricultural Survey 1985; Census of Agriculture 1993; Census of Commercial Agriculture 2002

farmers. And, in the light of current legal and policy reforms affecting agriculture (for example, the minimum wage, labour re-regulation and land reform measures), it is an unfortu-

is as follows: it was asked of those individuals who farmed in the twelve months from March 2002 to February 2003, how many also farmed during March 2003 to February 2004. It transpired that only 65% (20% divided by 31%) did so. Similarly, of those who farmed during March 2003 to February 2004, only 57% also farmed during March 2002 to February 2003. In other words, of the 46% of rural blacks who farmed in at least one of these two periods, less than half farmed in both periods (see Table 1.1).

Why is this? One reason concerns the fact that what we are here calling 'farming' actually includes a wide range of agricultural activities, ranging from gardening or keeping a few

# SMALL-SCALE AGRICULTURE AND MICRO-ENTERPRISE REMAIN BEST HOPE FOR RURAL POOR

Employment is being shed from the commercial sector, aggravating an already dire situation in rural areas. MICHAEL ALIBI K. reports that the report shows that the impact of the new laws has not been as great as

nate reality that many farmers perceive it to be to their advantage to continue shedding workers.

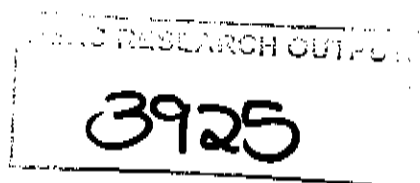
What are the alternatives? The obvious answer is small-scale agriculture and rural micro-enterprise, which exist on a large scale.

However, these two sectors generally bear the hallmark of survivalist and/or residual activities. One indication of this is the lack of continuity of individuals' pursuit of agriculture and micro-enterprise over time. This point is particularly well illustrated by the *Labour Force Survey*, which interviewed a share of sampled households twice over a stated time period. An example of the survey's findings

TABLE 1.1: Transition matrix of black rural adults who did and did not farm in two consecutive years

		Farmed during 3/2003 to 2/2004		
		Yes	No	Row sum
Farmed during 3/2002 to 2/2003	Yes	20%	11%	31%
	No	15%	54%	69%
	Col. sum	35%	65%	100%

Source: Labour Force Survey, Table 9





## Roughly four million individuals, belonging to two million households, engage in agriculture in some form

chickens, to producing as a commercial operator. Our best information, based mainly on the Labour Force Survey but also supported by the 1997 Rural Survey, is that roughly four million individuals, belonging to two million households, engage in agriculture in some form. It is clear that the vast majority of these four million tend to farm for subsistence, but increasingly as a contribution to subsistence rather than its mainstay (see Table 1.2).

Table 1.2 portrays one of the most sweeping and mysterious changes in the countryside over the past several years, namely, that the share of rural blacks practising agriculture as a *main source* of food has declined dramatically in favour of those who practise agriculture as an *extra source* of food. An optimistic interpretation would be that people are practising agriculture less intensively as they find other, better paying, economic activities.

Evidence from one case study suggested that households that farmed for a main source of food tended to be worse off than households that did not farm at all. And households that farmed for an extra source of food tended to be associated with a rise in income – that is, that additional income from off-farm employment enabled such households to purchase more of their food requirements. Though this remains a conjecture, what is observed above might, in fact, be driven by the increasing penetration of social grants.

What we do not know is whether a lesser reliance on agriculture necessarily means a decline in agricultural activities. Conversely, it is possible that households receiving a grant, or some other income source, are able to expand their agricultural activities, even while they are becoming less absolutely dependent on them.

But what of the kind of agricultural development that would indicate a strengthening rural economy? For agriculture, as with rural micro-enterprise, there is, sadly, no evidence of this form of dynamism. Recently introduced schemes, such as the rural loan facility introduced by the Department of Agriculture, could make a difference, but at this stage we do not know.

TABLE 1.2: Reasons for engaging in agriculture

Survey	As a main source of food for the household	As the main source of income/earning a living	As an extra source of income	As an extra source of food for the household	As a leisure activity or hobby	Total
2000, Sept	32.9%	3.3%	5.3%	54.4%	4.2%	100%
2001, Feb	24.2%	2.7%	3.7%	67.0%	2.5%	100%
2001, Sept	18.5%	1.9%	3.7%	73.6%	2.3%	100%
2002, Feb	14.3%	1.4%	2.6%	80.1%	1.6%	100%
2002, Sept	11.4%	1.7%	3.2%	81.6%	2.1%	100%
2003, March	11.2%	1.4%	3.3%	82.3%	1.9%	100%
2003, Sept	5.2%	1.9%	3.4%	87.7%	1.7%	100%
2004, March	6.3%	1.1%	2.8%	88.3%	1.5%	100%

Source: Labour Force Survey, 2004



Human Sciences Research Council

- PAGE 1 DEBS ROUNDUP
- PAGE 2 COMMUNITIES ENTER THE TELEVISION ARENA
- PAGE 4 AFTER TEN YEARS OF EMPLOYMENT EQUITY, IS IT STILL BUSINESS AS USUAL?
- PAGE 6 SMALL SCALE AGRICULTURE AND MICRO ENTERPRISE REMAIN BEST HOPE FOR RURAL POOR
- PAGE 8 CHALLENGES TO MEET INTERNATIONAL MATHS AND SCIENCE STANDARDS
- PAGE 10 IS SOUTH AFRICA BURDING IN PARIS?
- PAGE 11 MOVING VOLUNTARY COUNSELLING AND TESTING TO THE PEOPLE

**BEST HOPE FOR RURAL POOR LIES IN SMALL-SCALE AGRICULTURE AND MICRO-ENTERPRISES**

... continued from page 7

## FOUR PROVINCIAL CASE STUDIES

**Limpopo:** The most rural province in the country. Mining is the biggest employer outside of commercial agriculture. Economic decline is as evident in the former 'white' towns as in the former homeland areas. Rural small businesses are struggling to survive, not least because of improved transport links to larger towns, where supermarket chains draw in rural customers. Old agricultural schemes started by the development corporations remain in a desultory state.

**Western Cape:** Commercial wine and fruit farmers have responded in diverse ways to the dual developments of market liberalisation and labour re-regulation. With some notable exceptions, farmers have evolved strategies to secure the necessary supply of labour in ways that maximise the farmers' ability to manoeuvre. The flipside is that an increasing share of employment in the Western Cape, as illustrated by fieldwork in the Ceres area, consists of irregular, temporary employment, making these workers and their households vulnerable and insecure.

**Eastern Cape:** Research focused on the Mount Frere District – home to about 1.2 million people and generally considered one of the poorest and least-resourced regions in the country. A very high proportion of the population goes hungry. Food relief must be complemented by the development of land-based livelihood strategies for effective, long-term food security.

**KwaZulu-Natal:** The province's rural areas are beset with political divisions, both between the ANC and IFP, and between municipal and traditional leaders. Poverty, linked with high unemployment, hampers the cultivation of subsistence crops, as many people lack money to buy fertiliser or hire tractors for ploughing. Communities also lack markets for selling produce. \*

*Copies of the report, Trends and Policy Challenges in the Rural Economy. Four Provincial Studies, by Michael Allber, Cobus de Swardt, Andries du Toit, Temba Mbhele and Themba Mthethwa can be downloaded free, or ordered from [www.hsresearch.ac.za](http://www.hsresearch.ac.za). Dr Michael Allber is a director in the Urban, Rural and Economic research programme.*

# TO MEET INTERNATIONAL MATHS AND SCIENCE STANDARDS

In the 2005 matric exams, the pass rate for mathematics higher grade was 26 383. President Mbeki's State of the Nation (2006) address indicated that this number is targeted to increase to 50 000 in 2008 through the Dinaledi Initiative. But, says VIJAY REDDY, there are ways to achieve this.

**M**athematics and science are central to the success of South Africa's human development strategy. One of the goals of the government's mathematics and science strategy has been to ensure an increase in these subjects' participation rates, especially of black learners. In the early 1990s, about one-third of all matriculants enrolled for mathematics; now, around 60% do.

In the new curriculum, which will be introduced this year, all students are required to take either mathematics or mathematics literacy as a subject. This increased participation rate is commendable, but it has to be measured against the fact that there has been a drastic reduction in mathematics higher-grade participation rates. In the early 1990s, about 13% of matriculants (around 55 000) took maths at the higher grade. Today, the figure has dipped to around 9%.

This highlights how poor South Africa's performance is – by international, regional and national assessment standards – in these two key areas.

However, performance across the educational system varies widely. Disaggregation of learners' performance scores are further analysed according to their location. The harsh reality is that performance rates are lowest in those areas where most Africans live and where most African schools are located.

Mathematics and science require formal

instruction and schools provide the platforms for this instruction. In conditions of poverty, schools assume even greater importance as the only resource that most learners are able to access, and school achievement still provides disadvantaged children with the best opportunity to escape the poverty trap.

Current performance rates demonstrate that the former white and Indian schools are the better performers. There is some improvement in African schools, but the gap in the performance of different types of schools has not changed over the last six years. Educational inequalities, along with other inequalities, continue to plague the new South Africa.

Where do we go from here? Although this question has been posed many times over the last decade, there are in fact strategies that could improve the mathematics and science education system.

Firstly, our policy frameworks (for example, the curriculum) are already in place for a quality science and mathematics education. Unfortunately, as with other sectors of the society, implementation has not proceeded according to the initial intention. Importantly, the human resources needed for the implementation of these policies are scarce. We have, therefore, to meet the parallel challenges of developing human resources to manage the educational system whilst ensuring that there is quality support for the implementation of the policies, especially at school level.