

# **Promoting development and land Reform on South African farms**

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## **1. INTRODUCTION**

The issue of social development for farm workers has always been a contentious one, primarily due to a history of development being one of repression and exploitation. Decades of exploitative control have left a social situation characterised by poverty and extreme inequality of power, between farmer and worker, black and white people, and between men and women. The legacy of this brutal past is not only to be found in the conditions under which farm workers now live, but rather the psychological and institutional barriers preventing their achievement of a better life though effectively utilising the opportunities available to them. Poverty and marginalisation is a formidable barrier to overcome in this environment. It becomes clear that any development programme aimed at providing farm workers with support in their struggle for a better life - the essence of “development” - will of necessity need to address these factors.

The complexity of the farm situation, with its myriad of historical, social and economic problems, requires an innovative approach which represents a combination of, and compromise between, the priorities for farmers and those of workers, and mechanisms which promote broad based minimum standards as well as innovation and leverage for longer term benefit. The Land and Agricultural Bank of South Africa has initiated a number of products and programmes to promote development and land reform for farm workers. The intention of these is to stimulate farm based development through leveraging the various governmental development programmes and the commitment of landowners. In particular, Land Bank is to introduce a Social Discount Product to provide incentives for the Bank’s clients to implement development projects on their farms.

This article explores some of the issues Land Bank has experienced in developing its products to promote farm based development, and specifically the Social Discount Product. It examines in brief the current development context for farm workers, and in particular their conditions of life and work. It also reviews some of the current initiatives to promote farm-based development by a variety of actors, governmental, private sector, and civil society. An outline of the Land Bank’s Social Discount Product and other programmes is then presented. Finally, issues and challenges are identified which are critical to the success of development and land reform for farm workers.

The article contends that land reform for farm workers cannot be viewed separately from the broader process of development on farms. The reason for this is partly that land reform, or redistribution, will only affect a minimal number of farm workers, while the majority still seek improvement in their life conditions and opportunities. For this reason, it is important to identify the challenges to development on farms, and the spectrum of measures and interventions necessary for promoting overall development.

## **2. CURRENT SITUATION**

Much of the data and information used to analyse the current development context of farm communities is unfortunately flawed in a number of respects. Not only is the collection of national statistics lacking in critical detail, for example distinctions based

on gender, it is also collected via limited samples and information sources. Nevertheless, these sources of data do provide an indication of conditions, especially if cross-referenced with smaller case studies and surveys which may be carried out by other agencies, such as NGOs and research institutions.

This section is an attempt to collate a contemporary picture of the current development context for farm workers. Considering the limited and uneven data available, it will obviously provide a sketch of conditions which may not necessarily be true for particular variances in farm types and regions. It will, however, provide an overall picture of conditions and issues which is a sufficient basis on which to plan development interventions.

## 2.1 Demographic Outline

### 2.1.1 Number of Workers

The number of farm workers has declined dramatically over the last decade, with an overall reduction in total numbers of workers from 1 219 648 in 1988, to 930 141 workers in 1996. This dramatic shift in employment has occurred during a period of a restructuring of the trade, labour, and land context, within a broader context of fundamental political changes. The changes have also been characterised by the social effects of retrenchment and increasing rural unemployment, as well as eviction from private farm land.

The current demographic data related to the number of workers can be outlined as follows:

**Figure 1: National Agricultural Employment**

Year	Total	Regular		Casual / Seasonal	
		Numbers	%	Numbers	%
1988	1 219 648	724 439	59.4	495 209	40.6
1990	1 184 676	728 414	61.5	456 262	38.5
1991	1 115 562	702 323	63.0	413 239	37.0
1992	1 051 197	656 772	62.5	394 425	37.5
1993	1 139 427	647 839	56.9	491 588	43.1
1994	927 429	625 244	67.4	302 185	32.6
1995	918 735	628 925	68.5	289 810	31.5
1996	930 141	625 451	67.2	304 690	32.8

Source: Statistics SA, 2000.

The statistics display an interesting trend with regard to permanent and temporary employment. Contrary to general analyses which propose that permanent employment will continue to decline as these jobs are replaced with casualisation, the data indicates that it is casual/seasonal employment which experienced a marked decline between the late 1980's, and the post-1994 era. After 1994, it would seem that both casual/seasonal and permanent employment have experienced a consistent rate of employment, suggesting that agriculture has shed excess labour, and that future fluctuations in employment are likely to be experienced by both the seasonal/casual and permanent workforce alike.

Provincial agricultural employment varies considerably. The following table indicates the 1993 situation, and an estimate for 1999, based on the approximate provincial proportion of numbers of workers per province:

**Figure 2: Provincial Agricultural Employment**

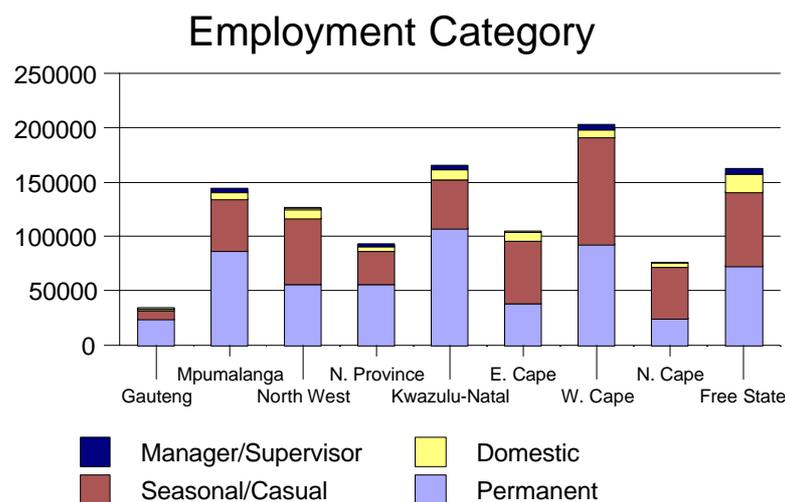
Province	Number of Workers		Percentage
	1993	1999 (est.)	
Gauteng	34 302	28 260	3.14
Mpumalanga	144 519	118 980	13.22
North-West	126 530	104 130	11.57
Northern Province	93 116	76 680	8.52
Free State	161 979	133 380	14.82
Kwazulu-Natal	165 505	136 260	15.14
Eastern Cape	88 383	72 720	8.08
Western Cape	202 962	167 040	18.56
Northern Cape	75 969	62 550	6.95
<b>National</b>	<b>1 093 265</b>	<b>900 000</b>	<b>100</b>

Source: Statistics SA, 2000.

### 2.1.2 Employment Status

Figure 3 outlines the employment status of those employed in agriculture. As can be seen, the proportion of seasonal to permanent employment differs between provinces.

**Figure 3: Employment Categories**



A Western Cape study of fruit farms (Kritzinger and Vorster, 1999) noted that gender seemed to be the most important differentiation between temporary and permanent workers. This differentiation relates to the period of the year and the production needs when women tend to be utilised, and stereotyped notions of their importance in terms

of roles and work opportunities. Thus fluctuations in the use of seasonal or casual labour is likely to have much greater impact on women than men. Equally, the decline in permanent male workers may have a twin effect on women: those who remain on the farm may have increased access to jobs and greater income, while those losing their place through the retrenchment of their spouse will experience an opposite effect.

### **2.1.3 Numbers of dependents / families**

As opposed to those employed on farms, consideration has to be given to the dependents of these workers who are resident on farms. In general, dependents constitute an additional 4-5 members of the family unit, reflecting an approximate national number of employees and dependents permanently residing on farms at 4 million people.

This number does not include the number of families and persons resident on farms who are neither employed, nor dependent on an employee. In the case of Kwazulu-Natal (Johnson and Schlemmer, 1998) 54% of farms experienced a situation where five or more families were residing on the farm without being employees, while a further 20% had between two and five families, and 27% one family.

Overall, Kwazulu-Natal farms had an average of 44 people resident on the farm: 19 adults and 25 children. This was nearly four times the number of full time employees. 68% of farm workers had families resident on the farm. In Free State each worker had an average of 4.4 people dependent on their employment and income, while there was an average of 30 people staying on the farm (O'Conchuir, 1997).

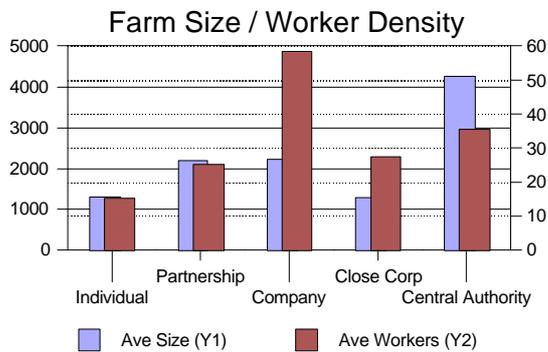
The 1996 study of selected districts in the Northern Province, northern Free State, and Gauteng (FRRP, 1996) found that 53% of farms had 10 or more people living on the farm who were not workers or dependents, while only 23% of farms had no non-workers living on the farm.

Although anecdotal evidence and the recent Kwazulu-Natal survey continue to argue a high degree of over-employment on farms, especially if one considers unemployed families who remain resident on farms, it seems that the "over-employment" refers to people who have already lost permanent employment and are either unemployed, or employed as casual labour. A similar reflection occurs in the Western Cape, where a degree of casualisation of the permanent workforce has occurred.

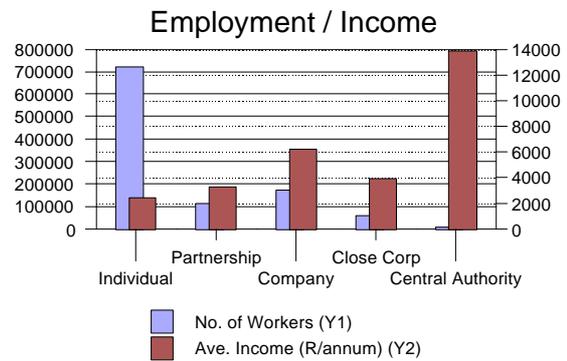
### **2.1.4 Employment by Farm Types**

#### ***(i) Type of Ownership/Business Enterprise***

As the following charts show, the type of farming business affects conditions of workers. While the individually owned farm may constitute the greater number of units, they tend to be smaller, have less workers per farm, and pay less than company held, or partnership, farms. Business Report (28 September 2000) indicated that 73.5% of farming units are operated by sole owners compared with 9% by partners, 7.9% by trusts, 5% by close corporations and 4.6% by companies.



**Figure 4: Farm Sizes and Employment Density**

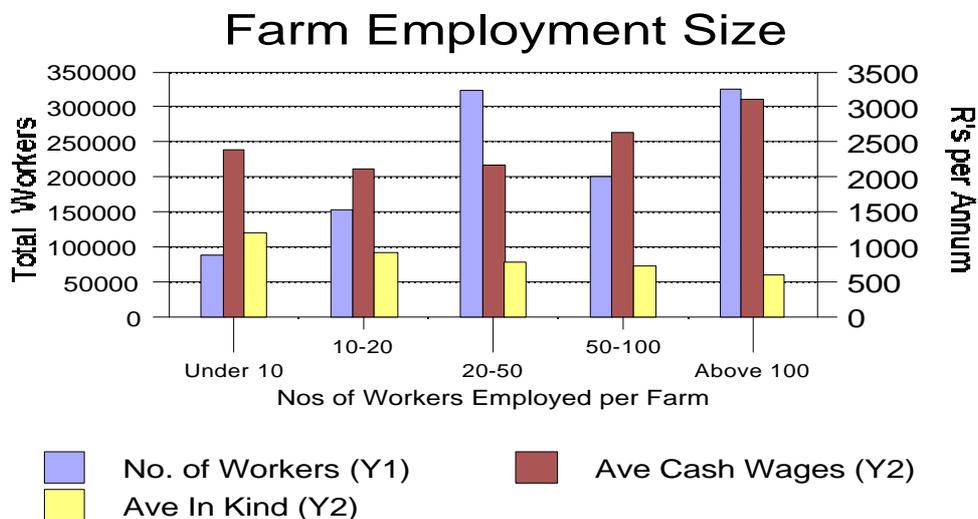


**Figure 5: Employment vs. Income**

*(ii) Scale of Employment*

Figure 6 presents that the majority of workers are employed on farming units with greater than 20 workers per farm, and 48% of all farm workers are employed on farms with greater than 50 workers. In addition, the average overall income between different farm sizes may differ on a cash basis (R2386 per annum on farms with less than 10 workers, versus R3104 on those with more than 100 workers), but this is offset by higher payment in kind values on smaller farms (R1214 per annum on farms with less than 10 workers, versus R599 on those with more than 100 workers). This important factor results in the combined cash and kind income differing slightly between farm sizes: R3600 per annum on farms with less than 10 workers, versus R3705 on those with more than 100 workers

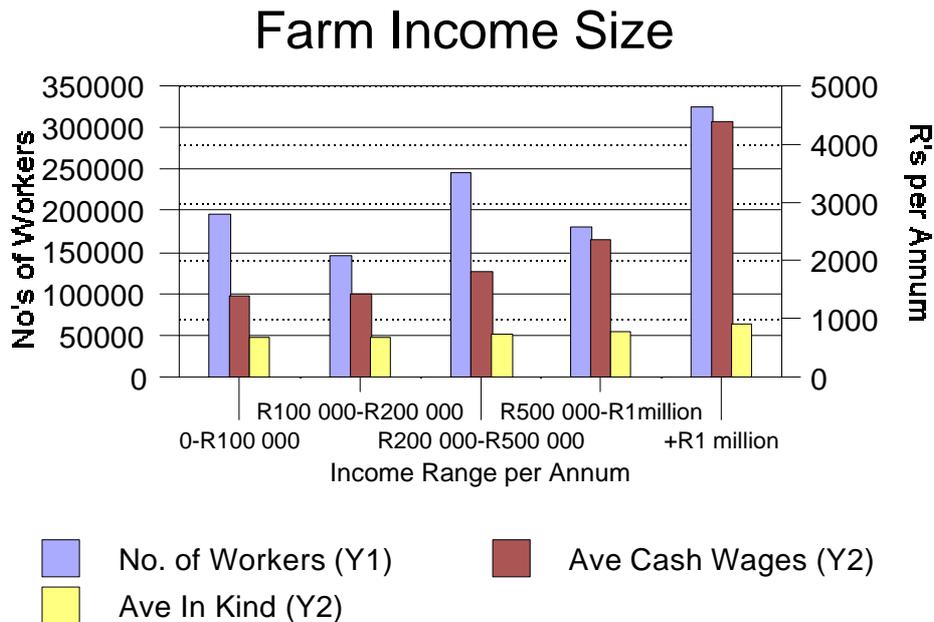
**Figure 6: Scale of Employment and Remuneration**



(iii) *Scale of Income*

Figure 7 displays very clearly the differentiation of income levels of workers based on the overall income of the farm. The higher income farms have higher numbers of workers, and significantly higher average wages paid to workers.

**Figure 7: Scale of Farm Income & Remuneration**



**2.2 Incomes and Livelihoods**

**2.2.1 Remuneration**

Remuneration on a national level during the 1990's is reflected in Figure 8.

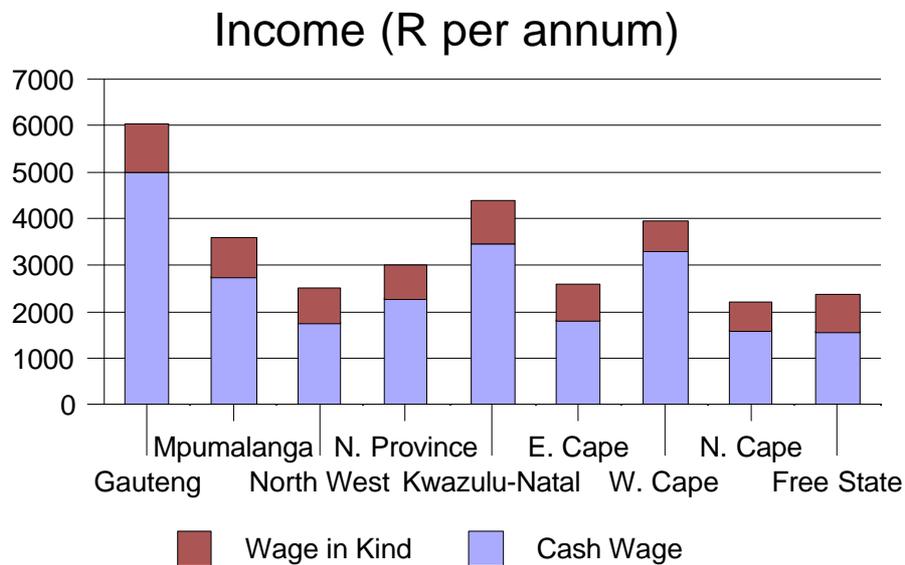
**Figure 8: National Remuneration per month**

Year	Regular Employees			Casual / Seasonal		
	Cash	Kind	Total	Cash	Kind	Total
1990	189.57	63.60	253.18	42.12	7.37	49.48
1991	227.57	73.09	300.66	50.35	6.34	56.69
1992	265.41	81.80	347.21	60.53	7.26	67.79
1993	317.70	0.00	317.70	52.54	0.00	52.54
1994	457.49	119.27	576.76	110.00	14.33	124.33
1995	570.74	143.50	714.25	143.70	18.65	162.35
1996	591.51	151.23	742.75	161.12	19.17	180.29

## Provinces

An indication of the provincial differences in employee income are given by Figure 9.

**Figure 9: Provincial Farmworker Income**



### 2.2.2 Farm Worker Wage Income

More detailed outlines of farm worker incomes provide a more useful, and accurate, picture of the structure of remuneration. Specific breakdowns of income are provided through the following survey results presented in Figures 10-12.

**Figure 10: Kwazulu-Natal Farmworker Income per month**

Item	Middle-Top Workers	Rank and File Workers
Cash Wage	R 517.91	R 345.60
Goods from Farm Store	R 2.83	R 2.69
Loan repayment	R 23.58	R 14.43
Rent and Housing	R 20.23	R 17.08
Pension	R 1.70	R 1.32
Grazing	R 2.07	R 1.36
Rations (Payment)	R 13.10	R 11.37
Other deductions	R 13.52	R 10.58
Value of Rations	R 71.31	R 58.10
Value of Fuel	R 8.00	R 8.00
Value of Electricity	R 26.99	R 23.16
Value of Bonuses	R 28.54	R 17.15
<b>Total</b>	<b>R 729.78</b>	<b>R 510.84</b>

Source: Johnson and Schlemmer, 1998

**Figure 11: Free State Farmworker Household Income per month**

Item	Value
Wages	R221.60
Rations / provisions	R131.94
In kind services	R186.96
<b>Total</b>	<b>R540.50</b>

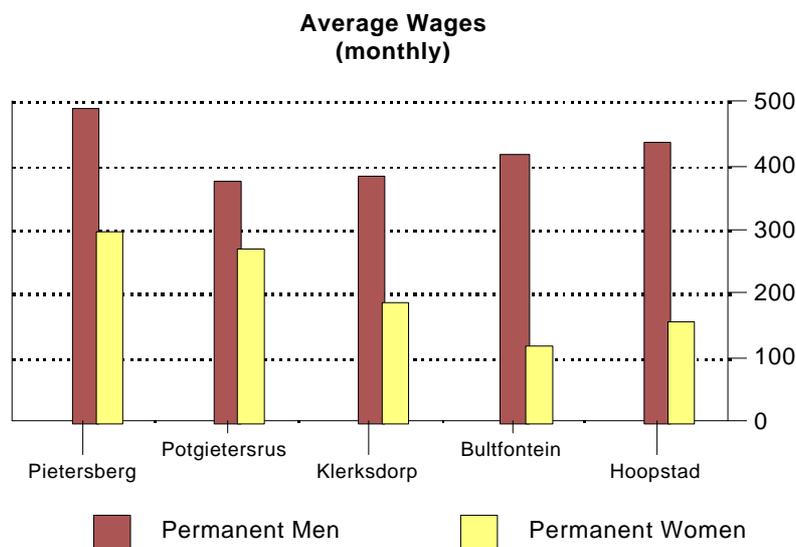
Source: O'Conchuir, 1997.

**Figure 12: Western Cape Farmworker Income per month**

Category	Ave. Cash Wage
Permanent General: Men	R365.28
Permanent General: Women	R282.08
Part-time/casual: Men	R409.49
Part-time/casual: Women	R229.22

The examples represent income levels well below urban averages, and which approximate minimum poverty levels. The conclusions of a survey conducted in certain districts of the Northern Province, northern Free State, and Gauteng in 1996 are reflected in Table 13.

**Figure 13: Average Wages in Districts of N. Province/Gauteng/N. Free State**



The survey also compared how 1996 wages compared to 1991 levels. A disturbing indication is that real wages have fallen in the period between the studies, a finding confirmed by a 1998 study of Western Cape wine farms.

### **2.2.3 Gender Based Wage Differentiation**

Women earn vastly less than men on South African farms with women workers earning on average 25-50% less than men. The basis for this differentiation is related to three predominant forms of practise: the first being the farmer's provision of payment in kind to men only and to include the value of this component in the income of the male worker; the second relates to the increasing role of women played in particular types of employment (casual, skill specific etc) which in general pay less than men; and the third to gender discrimination in wage rates in similar work due to the perception that the women is considered a "supplementary" worker to her spouse. This situation translates into clear distinctions in incomes.

### **2.2.4 Other Income Sources**

#### *(i) Land Access and Agriculture*

Studies of farm worker conditions on white owned farms in Kwazulu-Natal, Free State province, and districts of the Northern Province, northern Free State, and Gauteng showed minimal access to land for farm dwellers. In Kwazulu-Natal, 41% of middle to senior employees were able to access on average 3.5 Ha of land for livestock, with an average holding of 7.9 cattle and 7.8 goats. On the other hand, 36% of rank and file employees were able to access land of an average of 3.4 hectares, while holding 5 cattle and 5 goats on average (Johnson and Schlemmer, 1998: 63). In the Free State 41% of workers had rights to land for grazing. Of these 63% were running cattle or livestock with the farmer's and were not able to quantify the extent of the right of access in land usage, but 67% were keeping under four head of cattle or sheep (O'Conchuir, 1997: 38).

On 17% of farms in Northern Province, northern Free State and Gauteng men were able to graze cattle on the farm, while 12% allowed women the same right. A further 13% of farms allowed workers to keep other kinds of livestock. Overall, 17% of farms allowed livestock to be kept by workers (FRRP, 1996: 37). Overall the study found that 15% of men, and 10% of women, were able to cultivate crops on land. Of these, 69% were required to cultivate within the area where they lived.

Given the critical importance of land access to rural livelihoods, the lack of access to land provides a critical weakness in the efforts of rural families to improve agricultural production and income. The mechanisms for opening up access to land has been a critical issue for land reform. Land rights are also closely linked to issues of status and power. In South Africa this issue has been intertwined with issues of property in South Africa's transition. The protection of all landowners' rights to their land in the Constitution, and the restricted access to land by virtue of poverty by black rural dwellers provides a crucial indicator of the limited power the latter wield in the social and political structure of the society. The issue of land therefore features prominently in rural initiatives to engage policy processes and reflects centrally the

political obstacles facing the rural poor in their engagement with the state and other societal actors on issues of rural development policy.

## **(ii) *Supplementary Economic Activity***

In Kwazulu-Natal incomes from non-farm sources were minimal. In some cases (135 of senior employees, and 5% of rank and file) farm workers were able to supplement income through working for neighbouring farms, through informal trading or enterprises, or through trading in their own livestock and produce (Johnson and Schlemmer, 1998).

In Free State the overwhelming majority of workers (90%) were dependent on wages, while only 10% reported sizable additional income sources such as pensions, livestock sales, and remittances. The most significant factor to emerge from the survey was the “level of household dependence on a single income source and the very low base level of this source. In addition it is apparent that the level of disposable income is minimum, making the purchase of items other than non-essentials impossible” (O’Conchuir, 1997).

## **2.3 Conditions of Work**

In Kwazulu-Natal 72% of farms have extended working hours beyond the prescribed limit of 48 hours. The survey does not indicate whether overtime was paid (Johnson and Schlemmer, 1998). The Western Cape fruit sector has relatively better conditions, with 78% of workers receiving overtime pay while 80% have paid holidays, and 74% paid sick leave. However, only 21% have paid maternity leave, 8% have medical aid, and 52% a work pension scheme (Kritzinger and Vorster, 1999).

A 1996 survey of selected districts in Northern Province, northern Free State and Gauteng (FRRP, 1996) found that in 90% of cases workers worked longer than 10 hours per day on weekdays, with 53% of workers working 6 hours or longer on Saturdays, and 22% on Sundays. In 88% of cases workers were under the impression that they were not paid for lunch breaks, although the fact they were paid weekly or monthly made this difficult to verify. On 32% of farms workers did not receive leave at all, while 18% of farms provided 1 week of leave and 39% 2 weeks. Of those receiving leave, 71% of workers did not get paid for this leave.

### **2.3.1 Contracts**

In 1996, the vast majority of workers in the Western Cape fruit industry had no written employment contracts: 81% of women, and 71% of men. By 1999 the number of workers with contracts had increased to over 65% for permanent workers, and 25% for seasonal or casual workers (Kritzinger and Vorster, 1999). In Kwazulu-Natal in 1997, the figure approximates 63%. In Free State in 1996, 71-75% of farm workers did not have a written contract of employment. In 1996 in Northern Province, northern Free State and Gauteng (FRRP, 1996) 39% of all permanent workers had signed written contracts, representing 20% of the farms in the study. A further disturbing trend is that most of the workers who have signed written contracts do not have copies of them, making verification of conditions difficult.

The importance of written and clear contracts of employment is reflected by workers' proposals to increase their security of employment and income (farm workers top development priority) in Kwazulu-Natal. The majority of workers surveyed responded that written employment contracts would give them much higher security in their jobs and incomes. Clearly, the introduction of this basic mechanism would go some way to alleviating farm workers' greatest source of anxiety.

### **2.3.2 Training**

Data on farm worker training levels is sketchy. In the Western Cape training can be divided into technical production / job related training directly linked to the enterprise, while the second to the social aspects of production. The most prevalent form of training provided relates to the former, with only particular workers being afforded the opportunity for the latter. Overall, the vast majority of farm workers show great enthusiasm for greater training opportunities. In the Western Cape in 1999, 65% of fruit producers had training on their farms with the remainder having no training at all. Of the former, most training was provided by management or in service. This level represented a decline of training levels by almost 23% from a previous survey carried out in 1995, with economic factors being raised as a cause of this (Kritzinger and Vorster, 1999).

### **2.3.3 Child Labour**

In Kwazulu-Natal 16% of farms regularly used, or had become reliant on the use of child labour. A study conducted in selected districts in Northern Province, northern Free State and Gauteng (FRRP, 1996) found that nearly 20% of farms surveyed employed children on a regular basis. The study found that average monthly wages were R192.95 for boys, and R170.81 for girls. More disturbing perhaps is the average number of hours worked per week: 49 hours, 40 minutes for boys; and 45 hours, 5 minutes for girls. The lack of available time for study makes the impact on schooling and education obvious.

## **2.4 Life Conditions**

### **2.4.1 Housing**

The number of farm workers living in formal houses jumped from 21.4% in 1991, to 55.6% in 1994. A further 22.4% lived in mud huts, while 8.4% of workers lived in shacks in 1994. In Free State, 62% of houses had over four persons living in them, while 20% had over 8 people resident. In the Western Cape, one third of farm dwellers live in houses with only one bedroom. Although the general average of farm workers living in formal concrete houses was 56% in Kwazulu-Natal, this hides great variation where the average in the deep midlands of the Province was closer to 20-25% and the average in the Hilton-Cato Ridge-Winterton areas rising to 80-90%. 54% of permanent workers were living in family units in Northern Province, Gauteng and northern Free State, while 28% were living in hostels or compounds.

The results of the 1993 agricultural census reflected that approximately 13.6% of total farm capital expenditure on new or existing building was for employees, while this reduced to 6.1% of total farm capital expenditure.

## **2.4.2 Water and Electricity**

Three quarters of farm workers obtained water from taps in 1994. In 1996, Kwazulu-Natal reported that 70-79% of workers had access to piped running water, 56% to washing and bathing facilities, and 72% to toilets (Johnson and Schlemmer, 1998: 63). In the Free State, 46% of workers do not have access to water at their dwelling, although 38% do have access to communal taps. In total over a third of households have to walk at least a kilometre to fetch water (O'Conchuir, 1997: 23). In the Western Cape two-thirds of farm dweller houses have running water inside. In the Northern, northern Free State and Gauteng provinces 34% of workers had taps in their dwellings, while on 49% of farms workers accessed water from communal taps or pumps - most within a radius of 1km from their houses (FRRP, 1996: 46).

Access to electricity has been established on 63% of Kwazulu-Natal farms (Johnson and Schlemmer, 1998: 62). On Free State farms 65% of households have access to electricity, although the majority of installed electricity outlets seemed to be for lighting only, and not for heating purposes. Wood remained the most important fuel source for these purposes (O'Conchuir, 1997: 24). In 44% of farms in the Northern, north Free State and Gauteng provinces workers had access to electricity (FRRP, 1996: 47).

Access to water and electricity are significant factors in the ability of rural people to exploit resources available for livelihoods promotion, especially with regard to natural resources. Agricultural and income-generating activities require these. In addition, electricity often provides households with access to information via the public media, enhancing their understanding and grasp of political events and processes in their society. Lack of access to this information places them in a disadvantageous position when engaging with policy processes, and undermines their ability to mobilise independently when an opportunity arises.

## **2.4.3 Media / Communication**

In 1994 only one-fifth of all farmworkers had a telephone within 100 metres of their homes, while 42% had to travel more than 1 kilometre to a telephone. On Kwazulu-Natal farms the proportion of access to television is 19%, while 27% of workers have access to telephones.

## **2.4.4 Health**

Three quarters of all farm workers had to travel more than 5 kilometres to the closest medical service in 1994. In Kwazulu-Natal 35% of farms have situations where workers have access to clinics. The farm worker population of the Western Cape experiences a range of health problems due to adverse living conditions and lack of available health care: low birth weights, exceptionally high rates of tuberculosis, and a high infant mortality rate. Alcohol abuse is high and poses severe health problems in its own right, especially in pregnant women. A recent 1999 study of the Western Cape fruit sector (Kritzinger and Vorster, 1999) found a reduced amount of medical subsidies available (although this may be due to greater free medical services from the state), and a reduced level of access to clinic facilities.

An interesting feature of the survey data is the low prevalence of the issue of HIV/AIDS in either the methodology, or in the issues and results. More recent indications from Kwazulu-Natal are a dramatically increasing impact of HIV-AIDS on agricultural workers.

#### **2.4.5 Education**

##### **Levels**

In 1991, 49% of all black workers on white owned farms had no formal education at all, while 89% had an educational standard of Grade 7 or below. In 1994, 34% of black male workers, and 29% of female black workers, had no formal education at all. In the same year 83% of black male, and 79% of black female, workers had an educational standard of Grade 7 or below (Statistics SA, 1997).

Of the adult population on farms in the Western Cape, about one third are illiterate. The women often left school for a variety of reasons such as poverty, pregnancy, transport difficulties, or the need to support their families financially. The men left mainly to support their family (Kritzinger and Vorster, 1999).

On Western Cape farms generally, only 25% of farm dwellers are literate. Of crucial importance is the fact that many left school early because of high opportunity costs (loss of income for their family) while the benefits of higher education were negligible or unclear. A recent 1999 study found a decreased level of available educational courses for adults on Western Cape farms compared to 1995.

Limiting the access to schooling and education of black people has been a key component of the apartheid strategy to reproduce a compliant working class in rural areas. The low levels of education and literacy in rural areas provides a formidable barrier for rural people in engaging with the state and with policy processes, given that information regarding these processes is often scarce or inaccessible. It also reinforces stereotypical attitudes by policy makers, both in government and NGOs, of the inability of rural people to engage with sophisticated policy-making processes. This presents a key challenge in any initiative undertaken by rural people.

##### **Schools**

Schooling was available on, or nearby, 40% of Kwazulu-Natal farms. 79% of children on fruit farms in the Western Cape attended school, while those not attending were for economic reasons or because there was no high school nearby (Kritzinger and Vorster, 1999). In selected districts in the Northern Province, northern Free State, and Gauteng 58% of farms had primary schools within a 5 km radius, while in 38% of cases the school was more than 10km away. The average distance to schools was 8.3 km (FRRP, 1996).

#### **2.4.6 Childcare**

While farm provided childcare facilities are rare on most of South Africa's farms, the fruit sector has seen an increasing level of provision over the past 5 years, mirroring

the greater participation of women in the workforce. In 1999, approximately 24% of farms provided daycare for permanent workers, and a further 18% provided daycare for children of both permanent and seasonal workers.

A 1999 study of conditions for women farm workers in the Western Cape found that 46.4% of women have access to creche facilities on the farm where they live. Of these, 49% pay for childcare themselves while in 43% of cases the employer pays the costs. The average cost of childcare was R18.73 per month. On farms where there was no organised childcare, the most common form of childcare support was either from pensioners or family members, or an informally organised “dagmoeder” or day mother.

Clearly the issue of childcare becomes a critical factor in the ability of women to progress in their work, or to be able to access opportunities for career or quality of life enhancement. The practise of removing pensioners and non-working residents from the farm will further erode the availability of childcare to women on farms.

#### **2.4.7 Recreation**

Recreational facilities are often not recorded or mentioned in surveys, with the result that information is sketchy. What is clear however, is that recreation is limited on farms with the result that farm workers have to seek facilities in nearby towns - in most cases a difficult and expensive exercise - or seek other forms of recreation, for example social drinking. Most recreational facilities were sports facilities. For example, a Kwazulu-Natal study found that only 27% of farms have sports facilities. An exact response (27%) was found in a study of farms in selected districts in the Northern Province, Gauteng, and northern Free State (FRRP, 1996).

Many rural NGOs and trade union activists argue that the most important social facility is often a place where workers and the community can meet, and where social activities can be planned, for instance a community hall. A small minority of farms have such facilities, and those that do often have rigid controls over their access and use.

#### **2.5 Conclusions**

The range of statistics presented in this section provide useful indications of the current trends affecting farm communities. In summary they may be identified as follows:

- The total number of workers employed on farms has decreased substantially over the last two decades;
- Casualisation of labour has also led to greater numbers of women being employed, but this increase has been mainly in the casual or seasonal labour force;
- Gender discrimination in wages and conditions is the norm, with wide inequalities between men and women. In addition, the practise of housing and employment being tied to a male spouse remains prevalent;
- Wages and income remain low, the dependence on wage income is high, and access to additional income is limited;

- In general wages and conditions are better on bigger farms with a higher level of income, a trend that remains true despite variances between sectors;
- It would appear from survey data that real wages have declined in a number of regions and sectors over the last five years, and that services, training, and infrastructural maintenance have declined due in part to the economic climate;
- Improvements to housing have been limited over the last few years due to the negative economic climate, and the impact of the Extension of Security Act.

### **3. Current Development Initiatives**

Initiatives to support farm based development come from four main sources: Government, the Agricultural Private Sector, NGOs, and communities themselves.

#### **3.1 Government**

Initiatives from Government stem largely from legislation led interventions and broad development programmes, which very often have limited implementation and follow up. Nevertheless, it should be noted that there have been significant attempts to promote and maintain development progress for rural farm communities. Included in the broad development framework for rural development are the following important legislative interventions:

##### **(i) *Basic Conditions of Employment Act***

The most significant legislative intervention for enhancing the working conditions for farm worker communities has undoubtedly been the promulgation of the BCEA. The Act sets out the minimum standards governing the workplace, such as working hours, provisions for overtime pay, sick and annual leave. While the general conditions on farms appear to have remained in contravention of the BCEA, it is clear that there is a welcome trend toward compliance.

The BCEA also provides for the establishment of wage determination mechanisms for agriculture, a process likely to generate a high degree of conflict in agriculture. This process is under way at the present time, with the Department of Labour engaging in consultative meetings and workshops to gauge the most effective manner and range for the setting of minimum wages in the sector as a whole. The deadline set for announcement of minimum wages was March 2001.

##### **(ii) *Labour Relations Act***

The welcome introduction of the provisions of the Labour Relations Act to farmworkers in 1995 has not been entirely without problems. The Act gave trade unions right of access to farms, provided they achieved sufficient representivity, and rights of access to farm information. In addition the Act established regulations for fair labour practice and the prohibition of discrimination on any arbitrary ground. However, unions have struggled to establish sufficient representivity in the first instance because they have no access rights, while farm workers often go unrepresented in arbitration or dispute proceedings as they can only be represented by trade unions, fellow employees and legal practitioners.

***(iii) Occupational Health & Safety Act (OHSA) / Compensation for Occupational Injuries and Diseases Act (COIDA)***

These two Acts provide for the establishment of a healthy and safe working environment, and compensation for work related injuries and diseases. OHSA obliges the farmer to establish safe and healthy systems in the workplace, and also provides that a safety representative is elected on farms employing more than 20 workers, or, on large farms, a representative for every 50 workers. COIDA establishes a Fund and procedures for claiming compensation in the event of work related injury or disease for lost income, medical treatment costs, and funeral expenses.

Although the surveys conducted on some farms have indicated a measure of compliance, there is generally very little impact of the legislation. The provisions of COIDA do provide opportunity to safeguard income in the event of injury, and as such is seen as an important mechanism for providing some security of income for farm workers. A key problem area, however, relates to the fact that the farmer has to be cooperative in the claiming process, by for example reporting the accident or injury, and assisting the worker to get medical assistance. Many farmers do not provide such cooperation, especially if there is a risk of having to compensate workers for income.

***(iv) Employment Equity Act***

The Act provides that every employer must take steps to eliminate unfair discrimination at the workplace. On farms the key practices and policies which would need review would include: advertising and recruitment of new positions, job grading systems, payment and remuneration, promotion procedures, training opportunities, and access to services included in the remuneration package, especially housing. The designated group of employees to whom the Act is targeted include all women, and black and disabled employees.

The Act also provides for affirmative action to promote equity, and to reduce barriers which adversely affect members of disadvantaged or designated groups. These provisions apply to farms employing over 50 workers, or with an income of more than R2 million per year.

The Act is a particularly welcome intervention considering the widespread discrimination against women workers on farms, as well as racially discriminatory practices, for example, against African workers in the Western Cape. The Act is very recent and its effects are yet to be fully felt.

***(v) Extension of Security of Tenure Act (ESTA)***

The Extension of Security of Tenure Act was intended to provide rural South Africans with greater security of tenure through regulating procedures for eviction, and providing incentives and subsidies for longer term settlements. Despite the great resistance to the Act by land owners, and many cases of criminal behaviour, the Act has introduced a measure of support for farm workers in protecting residential and access rights. Implementation of the Act by government has been particularly weak,

with the NGO and legal service sectors taking much of the responsibility for implementation and monitoring.

A key emerging problem, however, relates to housing and land access for future workers. Many instances are emerging where farmers are refusing to build or maintain new or additional houses due to concerns relating to the establishment of new rights by farm residents. Equally, it would appear that existing land access rights for farm workers are being eroded, while very few new or additional rights are being created.

**(vi) *Land Reform (Labour Tenant) Act***

The Land Reform (Labour Tenant) Act was the first land reform legislation to specifically target farm workers who experienced specific conditions, in this case labour tenants. In addressing the loss of rights of Labour Tenants the Act attempted to establish a complicated evictions and claims procedure which has subsequently proved to be difficult to implement through the courts. Processes are still under way to address key problems with the Act.

**(vii) *Welfare & Maintenance***

A variety of grants and pensions are available to farm worker, and because they constitute an important component of workers income sources, the intervention by government in this regard has great impact on farms. Some problems have emerged due to the lack of information and access to procedures by farm workers, and the resistance of farmers to assist workers to access to supplementary income.

**(viii) *Settlement/Land Acquisition Grant:***

Department of Land Affairs provides a R16 000 grant to households earning less than R1 500 per month to be used for land acquisition, enhancement of tenure rights, investments in infrastructure and home improvements and capital investments for non-agricultural related projects e.g. eco-tourism.

**(ix) *Proposed Land Redistribution and Agricultural Development Grant.:***

Department of Land Affairs proposes to provide a grant of between R20 000 and R100 000 depending on own contribution to Black South African citizens to acquire land or a lease option and for the development of such land for agricultural purposes.

**(x) *Land Reform Credit Facility***

The LRCF is a wholesale loan facility established by the Department of Land Affairs (DLA) to assist in the establishment of commercially viable land transfer projects The purpose of the LRCF is to provide for the establishment of a wholesale revolving credit facility from which *loans with deferred repayments* will be made to reputable lenders for the purpose of financing farm land and/or equity purchased by farm workers and emerging farmers in commercial farming and agri-business ventures.

**(xi) *Primary Agricultural Education and Training Authority (PAETA):***

In terms of the Skills Development Act, 1998 employers, including qualifying farmers, contribute a levy for training of employees. The funds are transferred to the

PAETA via the Department of Labour and a farmer can receive up to 50% of the levy back if they undertake labour force training in terms of a workplace skills plan.

### **3.2 Agricultural Private Sector**

Within the agricultural private sector there is no broad based approach to or implementation of social development initiatives, although there are a number of different levels of initiatives undertaken. These would include initiatives undertaken by farmers' organisations or producer associations, companies engaged in agricultural activity, and individual farmers efforts at improving social conditions on their farms. It is clear from the survey of initiatives however, that they have a number of characteristics which limit their implementation and the impact on farm social development:

- They are often voluntary initiatives relying on the goodwill and participation of the farmer, which sets immediate limitations on scale of impact;
- They are often driven by the interests of the enterprise or industry, rather than from consideration for the social development needs of farm workers, leading to skewed development priorities;
- They tend to focus on the technical or infrastructural components of development, such as housing and schools, while neglecting related social development priorities such as security of tenure and the quality of schooling;
- The programmes are taking place in sectors characterised by higher incomes, and the predominance of companies or well organised and influential producer associations.

Nevertheless, the impact of the schemes has been beneficial, and the lessons drawn from them are very similar to those experienced by government and NGOs. The factors mentioned above also point to the importance of any social development initiative to take into account the relevant actors in the farm environment for building effective implementation mechanisms.

### **3.3 NGOs**

Non-Governmental Organisation (NGO) efforts for improving social conditions are limited by capacity and are scattered across communities and regions. They do however, play an increasingly important role in providing real and advocacy support for the social development of rural communities.

The priority of work conducted by NGOs can be encapsulated by the following outline:

#### ***(i) Security of Tenure & Land Reform***

Most rural land service NGOs work on issues of security of tenure related to the Extension of Security of Tenure Act (ESTA). Primarily concerned with the prevention of the loss of rights, and eviction of people from their homes, the thrust of the work is also focussed on investigating means for greater long term security through tenure settlements, or land reform projects. The approaches to this work are often based on

promoting and defending rights against threat by the land holder, which often places the work in a confrontational stance with regard to the land holder.

**(ii) *Labour Rights***

The second arena of work implemented by NGOs relate to labour conditions and rights, most specifically those related to unfair labour practice and working conditions. A key component of this kind of work is the education and awareness building of the regulations amongst farm workers and farmers.

**(iii) *Gender Equity & Rights of Women Workers***

Many NGOs focus their work on women workers, with particular emphasis on issues of equity and the eradication of discrimination. Some NGOs focus on particular issues facing farm workers, including sexual harassment, domestic violence, and health and childcare.

**(iv) *Organisational Support***

Much of the work of NGOs is process oriented, which involves a high priority on education, advice, and institutional building and support. All of the surveyed organisations have strong programmes related to assisting in the establishment of community based structures and institutions, such as Communal Property Associations, worker's committees, or trusts.

**(v) *Livelihood Opportunities***

Some of the NGOs have begun to work on programmes to expand the livelihood opportunities of farm workers. Often this would involve land access projects, or specific income generating projects such as craft centres or poultry projects.

Existing work by NGOs has been informed very strongly by rights based approaches, and by process oriented development methodologies. The economic and institutional component of development - improving livelihoods and delivery mechanisms - remains a small component of their strategy and programmes, although some are beginning to innovate programmes of support and delivery.

### **3.4 Community Initiatives**

Community led initiatives are generally little known unless approaches are made to support institutions, and are thus less represented in this survey. However, there have been a number of facilitated initiatives and conferences which provide an indication of the type and scale of initiatives undertaken by communities. These would include the National Women on Farms Programme, the Rural Development Initiative, and localised processes. The following have emerged as key priority areas:

- ***Wages and Enhanced Livelihoods***

Poverty on farms places income issues as the single highest development priority for farm workers. Wages have the most important role to play in raising incomes due to

the high reliance on wages income, and the lack of access to other income sources such as use of land, additional economic activities etc. Most individualised initiatives to enhance livelihoods have revolved around attempts to access land for livestock grazing and cultivation, and establish small projects for enhancing income, for example poultry schemes. Other attempts at enhancement revolve around informal savings schemes such as stokvels and burial schemes.

- ***Security of Tenure***

Apart from security of income, security of tenure and access to land is the most important consideration for farm communities. Many initiatives revolve around simple resistance to eviction, while others are more pro-active in the sense that communities may negotiate actively with the farmer to secure their rights to the farm.

- ***Housing and Services***

There are initiatives for communal building and maintenance of housing, and the development of services. These are limited, however, by the attitude of the farmer, and the limitations set by ESTA and lack of time and resources.

### **3.6 Conclusions**

The data survey has been useful because there have been significant changes in the environment and conditions of farm communities since 1994. Significant changes in the production and social environment - both positive and negative - offer interesting insight to the efficacy of various kinds of approaches. For example:

- rights based legislation has not always been effective in creating a positive environment for social development; and,
- implementation of external programmes of development have been limited by implementation capacity and monitoring ability.

In light of this, “voluntary” schemes have been more efficient and sustainable, except that they have some serious limitations:

- the voluntarism required attracts a limited set of socially minded participants;
- the schemes tend to focus on technical issues for development (living environment, access to basic services etc), and less on material life opportunities (income, vocational capacitation etc).

## **4. THE LAND BANK AND FARM WORKERS**

### **(a) Review of Land Bank and its Development Mandate**

The Strauss Commission of Inquiry into the Provision of Rural Financial Services in 1996 recommended that Land Bank becomes a development finance institution that provides wholesale and retail finance to its clients. It furthermore recommended that Land Bank continues to provide access to finance to its existing clients, but that the major focus of its activities should be on the provision of financial support to new clients especially developing farmers and beneficiaries of the Land Reform

programme. It also proposed that Land Bank adopts a developmental approach to its business including lending criteria for “good practice ethics”. These recommendations form the basis of the development mandate of Land Bank. Up until now, Land Bank has concentrated its efforts in terms of this mandate on supporting developing commercial farmers through its Bronze and Silver range of products and the provision of micro-credit to entrepreneurs via Step Up. The Land Bank Social Discount Product extends these efforts to farm dwelling communities, traditionally one of the most marginalised sectors of the South African society.

**(b) The Social Discount Product:**

**(i) Approach and Strategy**

The aim of the Social Discount Product is to stimulate development projects in agriculture through the provision of incentives for Land Bank clients to implement social development projects on their farms and in agricultural enterprises.

The introduction of such a product is due to the Bank’s recognition of three interrelated needs in agriculture:

- To improve the average living and working conditions of farm worker communities, which remain below desired levels and result in the restriction of the life opportunities of these communities;
- To promote greater efficiency and productivity in agriculture through enhancing the level of skill and motivation of all who work in agriculture, and to stabilise rural areas through improving conditions and relations.
- To stabilise rural areas through the improvement of living conditions and working relations.

In attempting to address such needs Land Bank recognises that:

- Farmers are the key to development for farm worker communities, and remain central to decision-making. Their commitment and participation are essential elements of the successful implementation of development projects on farms;
- Land Bank is in a unique position to work with farmers to promote farm-based development, and to build on its relationships with clients to promote development objectives.

Land Bank’s objectives for undertaking the Social Discount project may be summarised as follows:

- To develop products which mobilise and harness the resources of the Bank’s clients, existing and potential, to participate in delivering tangible development benefits to farm employees and other historically disadvantaged stakeholders in the rural economy;
- In so doing, to cement relationships between the Bank and its clients, particularly participating farmers and organisations;

- To promote greater innovation and productivity in farming enterprises through enhancing the skills and morale of participating communities. This will in turn assist in building the longer term sustainability of agricultural enterprises through improved efficiency and productivity; and,
- To strengthen the Bank’s profile as an institution that promotes development in historically disadvantaged rural communities, while maintaining strong commercial services to its clients. A number of guiding principles have been set out for the introduction of the product. The most important of these are as follows:

**(a) Human Development:** The Social Discount Product framework is developed according to a Human Development approach to development. The main features of this approach are:

- Development is about people and relationships, and not solely limited to issues of infrastructure and services;
- Development is a process geared to promoting the capacity of people to access and maximise opportunities to create a better quality of life;
- While increasing income is an important element of development, especially in addressing poverty, recognition of other qualitative elements of people’s lives are important.

**(b) Mutual Benefit and Contribution**

The development process needs to aim to achieve a mutual set of benefits for Land Bank, the farmer, and the farmworker community. In attempting to achieve this “win-win-win” situation for the Land Bank, the farmer, and the farmworker community, the Bank needs to also recognise that each party has an obligation to contribute and participate to promoting the development process. To this end the Social Discount Product needs to promote joint participation in all processes regarding the projects to be undertaken, and to ensure the contribution of each party.

**(c) Economic and Developmental Sustainability**

For the development process to be meaningful and sustainable, the economic and social viability of the projects to be supported need to be assured. To this end it remains important that the viability of the farming enterprise is reasonably secure, and that the project proposal has a good potential for success.

**(ii) Structure and Application**

The incentive is in the form of a discount on the interest rate on an existing or new loan held with the Bank, which will be provided in the form of an annual rebate depending on project progress. Seven categories of development projects are supported by the Product:

Category	Incentive	
	Discount	Duration
<b><u>1. Farm Worker Retirement Planning</u></b>	1.0	1 year
<b>2. Farm Worker Training</b>	1.0	1 year
<b>3. Farmer to Farmer Mentoring</b>	1.5	1 year
<b>4. Adult and Child Education</b>	2.0	2 year
<b>5. Farm Worker Housing &amp; Service Provision</b>	3.0	1 year
<b>6. Farm Livelihoods</b>	2.5	2 year
<b>7. Farm Worker Ownership</b>	3.0	3 year

All retail clients of Land Bank are eligible to apply on condition that they are not in arrears by more than 60 days on any loan and intend to undertake a development project meeting the criteria of the supported project categories. The discount will apply to a long term or medium term that the client holds with Land Bank. A person who is not currently a client of the Bank can apply for a loan and provided that this loan is approved subject to normal loan guidelines the discount will apply to the new loan.

Discounts will apply to single loans only and will not be cumulative, that is only one discount category per client may be applicable during any given period on one farm and one participant group.

The amount of the discount may not exceed 50% of the direct cost of the project to the client. If the total sum of the discount exceeds 50% of the direct cost to the client, the total rebate to the client will be set at 50% of the calculated direct cost to the client.

If, in the Bank's opinion, the client has reneged on their obligations to the project or beneficiary group, Land Bank reserves the right to disqualify the client from receiving the discount.

Many clients have previously started projects and Land Bank acknowledges their contribution to development. However, the Social Discount Product cannot be applied retrospectively. It is an incentive mechanism for development to occur on farms. In the first place, it would be difficult to verify projects that were undertaken in the past and to establish whether they did indeed meet the Social Discount Product criteria at their inception. Secondly, in the case of certain project categories including farm worker housing and farm schools, farmers actually received government subsidies to undertake these projects. Thirdly, the cost of compensating all such farmers would be unsustainable to Land Bank.

The Social Discount Product is a development product to be funded by a Development Fund established by the Land Bank. The Development Fund operates separately and independently from Land Bank's commercial loan book. The Social Discount Product forms part of Land Bank's vision for providing effective products for stimulating development in agriculture, while promoting the sustainability and efficiency of agricultural enterprises and maintaining the commercial viability of the Bank's operations.

### **(c) Other Bank Strategies for Farm Workers**

#### **(i) Equity financing**

Section 21 (1)(e) of the Land Bank Act allows Land Bank to take up equity in agricultural enterprises and will be used to support the development mandate of Land Bank. This allows the Bank to invest directly or by means of a special purpose vehicle in projects aimed at achieving black economic empowerment. The investment is limited in time and will eventually be disposed of to development clientele.

#### **(ii) Land Bank Bought in Properties**

Land Bank assesses the type of agricultural production on properties in liquidation. If it is a perennial crop e.g. fruit, sugar, Land Bank will make a contribution to the farming of the operation. Land Bank will buy in the property and manage the operations by appointing an independent farm manager, preferably from a previously disadvantaged community. Land Bank will draw up a contract, budget and income prognosis for the operation. Once the property has been bought in and registered in Land Bank's name, Land Bank will identify a possible land reform project for the property and identify a group including farm workers or individual who has capital to invest to participate in the project. It is the aim of the initiative to establish medium scale commercial farmers from previously disadvantaged communities.

#### **(iii) Land Bank Bronze and Silver product ranges**

Land Bank is in the process of reviewing its existing product offerings to developing farmers. The aim of the review is to improve the existing products on offer to clients and to ensure that these products meet the specific needs of developing farmers.

#### **(d) Conclusion**

The Land Bank Social Discount Product is a unique attempt to improve the living conditions of farm workers on the farms of Bank clients. Land Bank has no direct access to these workers except through its existing client base. Land Bank is not a grant-making institution and it is therefore also an attempt to use an existing loan-based mechanism to provide incentives to clients to undertake development projects. Participation in the product is voluntary and it is not expected that all Land Bank clients would take up the product, but it is hoped that the product would provide motivation for farmers who have considered the possibility of such project to actually implement the projects.

The product is to be launched in pilot programme during 2001 and will only be made available to clients on application during the second half of 2002. This will give Land Bank the opportunity to test the product in a controlled manner and allow stakeholders to provide input to improve the product before eventual roll out.

## **5. ISSUES AND CHALLENGES**

The situation facing farmworkers set out in this paper point to a number of challenges for improving the life opportunities and development options for farmworkers. In this, land reform plays but one option, as it can feasibly only address the situation of a

limited number of workers and their dependents. Thus one of the most important challenges facing development initiatives is the need to set development priorities.

## 5.1 Setting Development Priorities

The most complicating factor in farm-based development is the fact that farm workers status as “waged workers” is not the ultimate determinant of their existence. They are deeply rooted in the land, but remain the most marginalised, insecure and least visible population grouping in rural South Africa. “These farms are not simply places of work...they are individual arenas in which power games of control and subjugation between worker and employer, and indeed between worker and worker, are the daily norms of life in an extremely complex setting” (O’Conchuir, 1997).

This perception of farm life is borne out by farm worker communities who see the farming as a way of life, not simply a workplace. Despite a Kwazulu-Natal study’s conclusion that “the truth about the workforce was that it was pre-dominantly a settled working-class group, living in or around the farm and not expecting to go anywhere else. It was a mature occupational group, often in the second or third generation of farmworker employment” (Johnson & Schlemmer, 1998), it is clear that the development priorities reflected by rural communities interweave the complexities of their existence as workers and people with a strong connection to land and agriculture in their own right. This

Setting development priorities for a highly complex social environment on farms is a difficult exercise, and needs to take into account a myriad of factors. Moreover, the priorities identified for development often differ greatly between farm workers and farmers, and in some cases reflect conflicting interests. While this may be obvious considering their respective positions on the farm, it has a great bearing on the motivation for implementing various options. A number of indicative results have emerged from processes and surveys on the issue.

One can see the variances in the following table of priorities that emerged from the Kwazulu-Natal survey:

**Figure 14: Kwazulu-Natal Development Priorities**

Priority	Farm Workers	Farmers
1.	Better Wages	Greater safety / less crime
2.	Land to Farm	New Tractor
3.	A bigger / better house	Lower input costs
4.	School / more education	Improved infrastructure
5.	A more secure house	Higher producer prices
6.	Better Toilets	More Capital
7.	TV / Electricity	Racial Harmony
8.	More sheep / cattle / goats	Better Schools

Source: Johnson and Schlemmer, 1998

A Free State survey found that 95% of farm worker households saw access to land for production as important both to secure their incomes and their tenure. In surveying the necessary land area to secure family income, the survey found that “in area terms the plot size required by farm workers is tiny. A third stated that up to 0.1ha of land

would give them security of income. A combined total of over 90% stated that a plot size of up to 2.5ha was sufficient to give their household security of income while they remained in the employment of the farmer. These results...fly in the face of the widely expressed belief that landless blacks have unrealistically wild expectations of land reform..." (O'Conchuir, 1997).

A Western Cape study found that 80% of farm workers preferred job security to a higher income (Kritzinger and Vorster, 1999). Equally, the Kwazulu-Natal survey found that workers would prefer security of employment over the introduction of higher minimum wages. A CRLS study in the Western Cape (Sunde and Kleinbooi, 1999) identified labour and socio-economic rights as critical priorities for women farm workers, with the following priority themes for women as opposed to farmers' perceptions of their needs:

**Figure 15: W. Cape Development Needs**

<b>W. CAPE WOMEN FARM WORKER DEVELOPMENT NEEDS</b>	
<b>What Workers Want</b>	<b>What Farmers Think</b>
A happy relationship Better work, higher wages and standard of living Owning a house To study further To leave the farm To obtain promotion and further training To own a business To be secure in a place	To develop a better work ethic To look after children better To find a better balance between work and household duties To learn to work with money better

Source: Sunde and Kleinbooi, 1999

The responses are clearly highly skewed, and reflect a lack of both gender awareness as well as a basic sense of real development needs. The survey concludes that "there is often a vast chasm between employer's understanding of women workers' experiences of farm life and work, and the women's feeling and perceptions" (Sunde and Kleinbooi, 1999). While the results are disturbing, it should be noted that there were also some responses from farmers that recognised that other development needs are a priority for workers, especially the eradication of alcoholism and the increase in living conditions.

A study of selected districts in Northern Province, northern Free State, and Gauteng found the following development priorities identified by workers:

**Figure 16: Development Priorities - N. Province/N. Free State/ Gauteng**

Number	Development Priority
1	Better wages
2	Better housing / stronger security
3	Better and more schools for children
4	Access to electricity and water
5	Health care
6	Better toilets
7	Land access

Source: FRRP, 1996

The Rural Development Initiative of 1999 resulted in defining the following problems and priority areas for farmworker development:

**Figure 17: Rural People’s Charter Priorities**

<b>RURAL DEVELOPMENT INITIATIVE DEVELOPMENT PRIORITIES</b>	
<b>Problems:</b>	
<ul style="list-style-type: none"> <li>❑ Farm dwellers and workers face evictions despite protective policies and laws. Families of workers who have died are forced to leave the farm within 12 months, regardless of how long they have lived on the farm;</li> <li>❑ Working and living conditions and wages are below an acceptable standard;</li> <li>❑ Farm workers, development workers and trade unionists are intimidated and discouraged from organising and educating;</li> <li>❑ Labour laws neglect the specific conditions of farmworkers, and are not complied with by farmers;</li> <li>❑ Women farm workers receive lower wages than men because it is said they are not the breadwinners;</li> <li>❑ Police are biased against farm workers in many eviction cases, do not carry out their duties under the law, are often seen to be complicit in illegal activities and are often responsible for intimidation and violence against farmworkers;</li> <li>❑ Illegal use of immigrant labour on farms pushes down wages and undermines farm worker’s rights.</li> </ul>	
<b>Development Demands</b>	
<ul style="list-style-type: none"> <li>i. Security of tenure for farmworkers must be ensured and tenure rights strengthened, especially for women farm dwellers and workers;</li> <li>ii. Farmworkers should be given land of their own;</li> <li>iii. A minimum wage must be legislated for, with mechanisms to prevent retrenchments;</li> <li>iv. Women should be recognised as breadwinners, and be paid the same as men;</li> <li>v. Police, lawyers and justice personnel must be trained on ESTA;</li> <li>vi. Inspectors from the Departments of Labour and Land Affairs should be sent out to ensure laws protecting farm worker rights are obeyed by farmers and police;</li> <li>vii. ESTA should be rewritten to become a law to stop evictions, and should only cater for evictions under exceptional circumstances;</li> <li>viii. Departments of Labour and Land Affairs should make accurate information on laws and rights accessible to workers, and must utilise and must build available</li> </ul>	

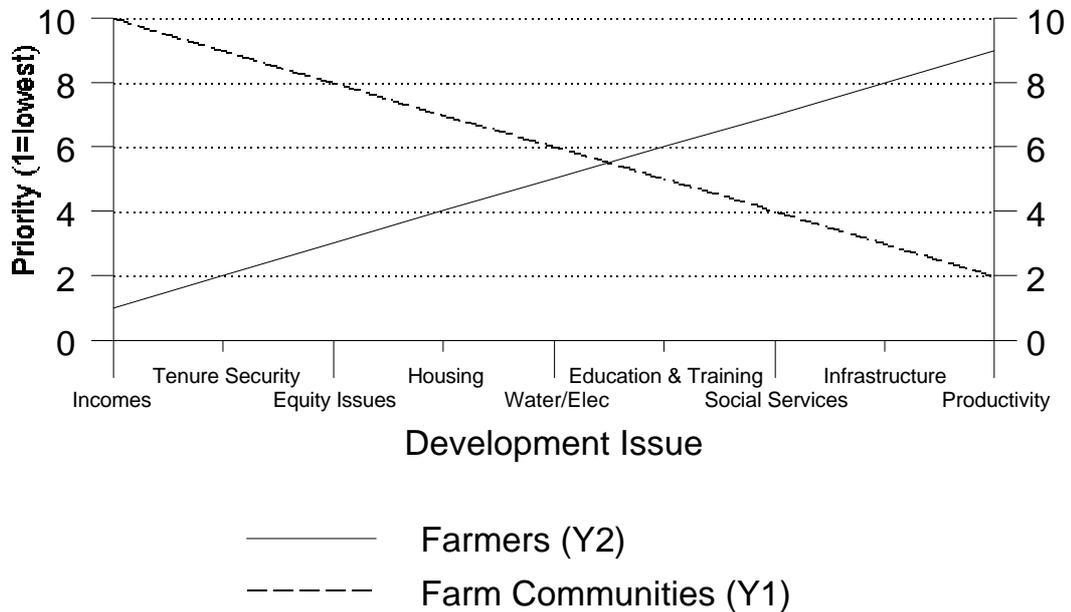
- |       |   |
|-------|---|
|       | capacity in NGOs, CBOs, and unions in an effort to speed up the dissemination of information in rural areas;  |
| ix.   | Labour legislation must be reviewed in consultation with farmworkers, NGOs, and CBOs and trade unions, to enhance the organisational rights and empowerment of farmworkers;   |
| x.    | Farmers' unions must be approached to convince their members to allow NGOs and trade unions onto farms in accordance with the law, and to stop intimidating workers who choose to exercise their constitutional rights of freedom of association and access to information; |
| xi.   | Heavy fines must be imposed on farmers who use child labour or contravene labour laws;  |
| xii.  | Registration of farm workers by farmers must be made compulsory, to enable monitoring of labour laws;   |
| xiii. | A negotiated pension fund and medical aid must be made compulsory;  |
| xiv.  | Housing must be made available to farm workers, with houses not smaller than 50m <sup>2</sup> and electricity, water and sanitation in every house. Farm workers should receive title deeds for the land on which their houses are built;                                   |
| xv.   | Farmworkers prior learning should be recognised by the NQF;   |
| xvi.  | NGOs and CBOs must support and speed up the unionisation of farmworkers;  |
| xvii. | Farmers must not be allowed to employ immigrant workers on three month contracts, and the rights of immigrant workers should be protected to prevent illegal use of labour from undermining farmworkers' rights and wage levels.  |

Source: Rural People's Charter, 1999

Thus it becomes clear that the setting of priorities is complicated by variations in region, enterprise or sector, but also by the source group being questioned. It is clear therefore, that there is likely to be clear differences in the perceived needs of farmworkers by farmers, and those defined by farmworkers.

There is a clear tension, then, between the development priorities formulated by farm communities, and those defined by farmers/land owners. Although there is a basic set of common themes for development, a spectrum emerges in which decisions need to be made by the Bank, and others, in deciding its most appropriate intervention. If one sketched out graphically the priorities defined by farmworkers and farmers, they may (roughly) approximate the following graph:

## Development Priorities



The importance of finding the correct target for intervention relates both to the importance of finding the effective leveraging issue for greatest benefit for farmworkers, and to identify the threshold of resistance from farmers ie. what would they be willing to implement even though it is not a priority for them. In short, the higher the resistance the less chance of success, and the greater the level of required incentive.

### 5.2 Interventions for Development

There are a number of issues which provide influential factors in defining development interventions. These include the variations existing in agriculture, the different priority perceptions by land owners and workers, and the need for cooperation and integration between different initiatives, especially government programmes.

#### (i) *Dealing With Variation*

Appropriate social development interventions would have to take into account the following issues:

- The financial position of the farming enterprise
- The existing state of conditions and development status
- Adherence to standards and requirements of pertinent legislation
- The structure of the farming community

These considerations are required for designing and implementing appropriate emphases and benchmarks for development initiatives. This kind of approach is necessary if progress is to be encouraged, and more importantly be made attainable and measurable. In effect, an approach which takes into account these factors recognises the variations, and attempts to build progress according to these. This approach by necessity militates against the immediate achievement of standardised goals, and focuses on promoting minimum standards in ‘weak’ contexts, while promoting substantial development objectives in more receptive arenas.

It may well be desirable to set a small range of standards based on the pertinent factors of a particular type of farming enterprise. For example, the following factor may assist in setting out these ranges:

- Crop Sector (fruit, wine, maize etc)
- Region
- Size of farm (Income, workers, dependents etc)

Thus, while setting broad-based minimum standards, development goals may be differentiated according to these criteria. On this basis of these there may be three different levels of standards according to the grade of farming enterprise.

#### *(ii) Compliance with Existing Standards or Norms*

Existing South African legislation regarding labour, land, and development rights and standards are reasonably high compared to international standards. The irony of this is that the standard set by legislation has not been achieved by the majority of South African farms, and that other standards (for example, those set by the Ethical Trade Initiative) actually fall short of these. Farming enterprises are therefore either unable, or unwilling to meet those prescriptions set out in the law. It is government’s responsibility to enforce the law, but it has an incapacity to do so with regard to ensuring rights of farmworkers. It is important, therefore, that agricultural employers are encouraged to meet their legal obligations by all development initiatives, undertaken by the private sector. The Land Bank Social Discount Product does so by obliging participating clients to meet legal and social minimums as a prerequisite for application, as well as promoting good practice with regard to projects.

### **5.3 Effective Leverages for Development**

The challenge is to find the most effective leverage for developmental impact. For example, which is the issue or theme affording the greatest degree of benefit for farm communities. Having said this, it is also the case that many opportunities development impacts already exist through legislation, or programme opportunities. It may well be the case that the most effective development leverage is to ensure that these are implemented and accessed properly.

Land Bank has followed this rationale in designing the Social Discount Product. Instead of providing duplicate services, the Bank is attempting to link to and leverage existing opportunities. Figure 18 gives an outline of the linkage points. However, to make the concept of integrated delivery effective, coordination of development programmes is imperative. This can only be achieved if there is a concerted effort by

government to deliver its programmes with efficiency, and with widespread investment of its programme resources.

**Figure 18: Social Discount Product Linkages**

<b>Category</b>	<b>Criteria</b>	<b>Link to Institution</b>
<b>Retirement</b>	Registration with approved provident scheme	Retirement institutions / Insurance Companies / FSB
<b>Training</b>	<ul style="list-style-type: none"> <li>• Registration with PAETA</li> <li>• Skills Development Plan with PAETA</li> <li>• Training conducted with accredited agency</li> </ul>	PAETA Accredited Training Service Providers
<b>Mentoring</b>	Registration for approved mentoring plan	Mentoring support institutions Department of Agriculture
<b>Education</b>	Farm Schools: <ul style="list-style-type: none"> <li>• Installation of service / Annual service arrangement (maintenance / water / electricity) for farm school with Department of Education</li> <li>• Schooling transport project for farm resident children (to schools in excess of 2.5 km distance)</li> </ul>	Department of Education Provincial Departments of Education
	Adult Education: <ul style="list-style-type: none"> <li>• ABET Programme Levels 1-4 for more than half of adults on farm or at least 10 learners</li> <li>• Trainer ABET registered</li> </ul>	Department of Education Provincial Departments of Education ABET Training Agencies National Literacy Initiative
<b>Housing / Service Upgrade</b>	<ul style="list-style-type: none"> <li>• Repairs and maintenance to farm worker housing / water services</li> <li>• Installation of water system</li> <li>• Installation of electricity access</li> </ul>	Independent Contractors Eskom / Agrilink DWAF
<b>Livelihood</b>	Land Schemes: <ul style="list-style-type: none"> <li>• Access rights for grazing purposes</li> <li>• Access rights for cultivation purposes</li> <li>• Income enhancement / profit incentive schemes</li> </ul>	Department of Land Affairs

	Enterprises: <ul style="list-style-type: none"> <li>Participation of farm residents in management and operation of appropriate enterprise</li> </ul>	Khula Department of Trade and Industry
<b>Ownership</b>	Share Equity: <ul style="list-style-type: none"> <li>Project to provide farm residents with significant equity</li> <li>Land Bank financing or LRCF guaranteed financing</li> </ul>	Department of Land Affairs Land Reform Credit Facility
	Land Transfer: <ul style="list-style-type: none"> <li>Land transfer or donation to farm residents</li> </ul>	Department of Land Affairs
	Housing Ownership: <ul style="list-style-type: none"> <li>On or off farm housing ownership scheme for employees</li> </ul>	Department of Land Affairs Department of Housing Provincial Department of Housing Rural Housing Loan Fund

#### 5.4 Monitoring and Implementation

A key issue in development programmes is related to monitoring of development progress. The challenge is to develop a set of indicators, and a monitoring mechanism, which are user friendly and appropriate for the implementing agents, in this case the Land Bank's client and the beneficiary community. The monitoring function, although carried out by the institution's agents (ie. the Bank's field staff), will remain heavily reliant on the participation and contribution of the implementers. The most efficient method of monitoring would therefore require an approach which allows for the bulk of monitoring information to be collated by the lender, and which may easily be verified with as little effort as possible by the Bank's agent.

Experience from local and international projects and development programmes would seem to suggest a necessity to engage third parties in the process of programme design, implementation, and monitoring. Indeed, while there is scope to build in effective self-management and limited verification mechanisms - through for example the use of detailed compliance questionnaires utilising as detailed and objective criteria as possible - existing programmes reflect a widespread use of third party facilitation and verification, often through skilled and acceptable social auditing institutions - academics, NGOs, consultants etc.

There is a further motivation for third party involvement, which relates to providing much needed external verification and support to community participants. In a South African context, it also may be politically necessary to engage suitably skilled external agents to assist communities to engage in processes for which they do not have skills, or the power to overcome psychological and social barriers.

Land Bank has taken both approaches with regard to monitoring the Social Discount Product. In the instance of relatively small scale, fairly defined development projects the Bank will monitor progress through its own staff. With regard to more complex projects, for example livelihoods and land reform, Land Bank will contract the services of an external agent to assist with monitoring, and in some instances verification and planning support. The costs of this will be borne by the Bank through a grant scheme.

## **6. Concluding Comments**

Land reform for farm workers is a necessary component of the farm based development process, but it is unlikely to benefit more than a small minority of farm workers. For this reason it is important to build an integrated development process to improve the conditions and opportunities of farm workers and their dependents. Farm based development is of necessity a comprehensive process, requiring many actors and complementary programmes.

Land Bank has taken a bold step to introducing the Social Discount Product as a complementary product to its land reform product range. In its design, the Social Discount Product intends to support good practice in planning, and development integration at the farm level. However, as this article shows, the issues and challenges facing the Product are significant.

Firstly, there is a need to promote the achievement of farm labour and tenure conditions provided for in existing legislation. While conditions on farms in general are poor, there are a number of sectors experiencing higher standards of profitability, and better conditions for their workers, providing a much greater potential for significant development opportunities to be explored. Land Bank has taken the view, therefore, that is necessary to set criteria and conditions that provide an incentive to engage in a development process, rather than absolute goals, which are challenging for the lender and appropriate to the specific circumstances on the lender's farm.

The incentive provided therefore promotes participation and engages the lender as an active carrier of the intentions of the social dividend product. Thus it becomes important that incentives are graded to allow for a flow from a basic minimum standards platform, to one promoting innovation and the attainment of significant development achievements.

Secondly, the Social Discount Product is being introduced into a context characterised by economic and social stress. Recent negative agricultural economic events, leading to a decline in viability and profitability, have been matched by continued insecurity and tension in rural farming areas, by both black communities and white farmers. Development interventions are part of the solution to this problem, but also need to address them in their conceptualisation. In particular, existing stresses and potential consequences need to be considered. Land Bank recognises these as a risk, but has attempted to structure the Social Discount Product to promote relationships rather than 'hard' development projects, such as infrastructural upgrading. This approach has drawn some criticism from sectors of the farming community, who propose greater degrees of subsidy for 'hard' projects. It is hoped that the value of building development relationships will be recognised over time.

Finally, although criteria and conditions may be set which allow for technical verification of progress (through farm business plans, contractors certificates, data indicators etc), the experience of existing programmes is that a greater degree of social partnership and participation is required. Indeed, the building of partnerships at local level is probably the most important determinant of the sustainability of development programmes. The consultation process undertaken in this project elicited great enthusiasm for the concept of the Bank's social dividend product, and for possible working relationships with the Bank in their implementation. This is an opportunity the Bank would need to build on in taking forward the Social Discount Product.

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