Adverse Incorporation and Agrarian Policy in South Africa

Or, How Not to Connect the Rural Poor to Growth

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ABSTRACT

This paper argues that attempts to enable poor rural people to benefit from the opportunities provided by economic growth in the agricultural sector have been undermined by a failure to appreciate the importance of adverse incorporation and its consequences for landless people, small farmers and farm workers. Going beyond criticisms of the 'willing seller, willing buyer' approach in South African land reform, the paper focuses on how, partly as a result of this failure, land and agrarian policy in South Africa has been characterised by a contradiction. On the one hand, land reform policy and labour law reform have been conceptualised as pro-poor policies, aimed at redistributing land rights and creating sustainable livelihoods for poor people. On the other hand, agriculture policy has been headed in diametrically the opposite direction, relying on pathways of market integration and models of farming inimical to these policy aims. The paper surveys research done within CPRC and PLAAS on three different contexts of rural poverty: jobless de-agrarianisation in a former homeland, the integration of smallholders in commercial value chains, and the restructuring of labour markets in commercial agriculture. It shows how in each of these arenas the terms of incorporation into agro-food value chains have mediated the consequences of integration into markets; and argues that because of this, 'connection to markets' has had differential impact on the livelihoods of poor rural people. A blindness to the risks of adverse incorporation has contributed to the failure of policymakers to grasp the challenges and problems faced by small farmers and farm workers, particularly in relation to the impacts of downstream power relations in complex and often buyer-driven agro-food value chains. This has contributed to the abandonment of the poverty reduction and equity aims of agrarian policy in South Africa. The paper concludes with some suggestions as to how these contradictions can be reduced.

Keywords

Adverse Incorporation; South Africa; Agriculture; Land Reform; De-Agrarianization; Global Value Chains; Farm Labour.

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Introduction

In recent years, ‘adverse incorporation’ has emerged as a key concept in debates about chronic poverty (Murray 2002, Bracking 2003, Du Toit 2004a, Hickey & du Toit 2007). Thus far its use has often been theoretical and programmatic: it has often been used to make fairly general points about the relationship between social exclusion, informality, marginality and poverty, and how these are best conceived. This paper takes this debate further by highlighting how it can help illuminate the problems experienced in more particular and concrete policy contexts: it surveys recent research on agrarian change, agriculture and land reform in South and Southern Africa and argues that an understanding of the dynamics and consequences of adverse incorporation can help in formulating sensible policies that can help poor and structurally marginalized people.

The paper begins by recapping salient aspects of the concept of adverse incorporation, and by highlighting what the concept contributes to debates about poverty, its relationship to ‘social exclusion,’ and responses to it. This is followed by a brief discussion of the development of post-Apartheid agrarian and land reform policy in South Africa, and in particular of the general ways in which these policies have conceived the role and potential of growth, commercial agriculture and integration into markets. The paper then discusses the real outcomes of market integration in three interrelated rural scenarios: jobless de-agrarianisation in former Bantustan areas in the Eastern Cape; the incorporation of small farmers in commercial agro-food commodity chains; and labour markets in export-oriented horticulture in the Western Cape. In each of these arenas the paper highlights how an analysis focussed on the terms of incorporation into markets and other social totalities shapes the impact of integration on poor people. The concluding section considers some of the resulting tensions in agrarian policy, and suggests some ways in which these can be reduced.

‘Exclusion’, ‘Inclusion’ and Adverse Incorporation

The notion of adverse incorporation has entered debates about poverty partly as a critique of liberal and teleological approaches to the concept of social exclusion. As such, it is a response to the growth of the term beyond its original narrow application in discussions of the limits of the welfare state and its widespread appropriation by poverty and development writers (Silver 1994; De Haan 1998). In particular, as Sam Hickey and this author have emphasised elsewhere (Hickey & du Toit 1997) the concept has developed in response to the increasing use of the notion of social exclusion in liberal and teleological accounts of social exclusion as a primary cause of poverty. In these accounts, exclusion and inclusion are often counterposed to one another in simplistic and normative ways: poverty is conceived to flow directly out of the fact that some group or other is (usually as a result of some discriminatory practice or political barrier) excluded from a realm of ‘mainstream’ economical or social activity; participation wherein is seen as an unproblematic good in itself. Remove the exclusionary dynamic and allow those excluded to participate, these accounts imply, and the opportunities and benefits that flow from participation will allow the previously excluded to escape from poverty. What these narratives miss, critics have charged, is two things: firstly, that no-one is ever simply or entirely excluded from a particular social formation. Poor and disadvantaged groups and individuals more usually find themselves dealing with a complex situation characterised by the *interaction* of inclusion *and* exclusion; such as when migrant agricultural workers are *in*cluded in a labour market, while simultaneously being prevented from participating in local political and social systems. Secondly, such narratives fail to realise that poverty and disadvantage themselves can often flow not from exclusion, but from inclusion on disadvantageous terms, into a system that in itself is exploitative (Hickey & du Toit 2007).

Couched at this general level, the concept of adverse incorporation thus functions as a fairly broad critique of neoliberal accounts of poverty and development, accounts that underplay the risks and disadvantages of inclusion and participation in unregulated capitalist markets; in fact in many ways it recapitulates much of the terrain covered in earlier decades by variants of dependency theory (e.g. Amin 1976, Lowy 1982). But can it go further? The risk is that the critique of teleological accounts of social exclusion falls into an opposite teleology, simply substituting ‘adverse inclusion’ for social exclusion as a catch-all explanatory methodology (Du Toit 2008; see also Ponte 2008). This was one of the problems with some variant of dependency theory: eventually it became a tautological account in which peripherality and powerlessness were circularly defined in terms of one another. Such an account would be unable to develop a nuanced account of the very complex terrains of *both* advantage *and* disadvantage upon which struggles around development occurred. If ‘adverse incorporation’ is to become more than a generic term, it needs to be used in analyses that can explore the positive *and* negative implications of the complex ways in which particular groups, classes or individuals are incorporated into the larger social totalities (institutions, markets, political systems, social networks) that enable and constrain their agency, and the differential consequences for poverty and vulnerability. As Ponte points out, what matters is not so much inclusion or exclusion per se, but the conditions of inclusion and exclusion (Ponte 2005). This paper tries to meet this challenge by considering the dynamics of inclusion and incorporation in one relatively delimited terrain of engagement: that of agrarian policy – policy related to rural land, labour and livelihoods – in post-Apartheid South Africa

Agrarian change, modernisation and narratives of integration

The Apartheid Legacy and the new policy consensus

Questions about the consequences and implications of integration and inclusion are particularly relevant to the study of agrarian policy in South Africa. This is partly because narratives of exclusion figure so prominently in the conceptualisation of Apartheid’s agrarian legacy. This legacy has already been described extensively elsewhere (see e.g. Plaatjie 1982, Bundy 1987; Keegan 1988; Worden 1994; Van Onselen 1996; Mamdani 1996; Ntsebeza 2006; Moyo 2007). Three aspects are particularly relevant here. Firstly, a long-drawn-out and uneven process of segregation and dispossession moved black people off the land and left the lion’s share of agricultural land in the possession of a tiny white minority of about 60 000 farmers[1] . Secondly, state support for agriculture was deeply skewed: while small black farmers in the Bantustans received very little support, white commercial agriculture in South Africa received high levels of support and protection. Thirdly, farm labour on white-owned commercial farms were for many years deprived of the legal and regulatory protection accorded to urban workers, and laboured under severely exploitative conditions, often kept in conditions of subjection or dependency through clientelist and paternalist relationships (Marcus 1987, Bundy 1979).

Given the intractable and divisive nature of land issues in South Africa, what is noteworthy about post-Apartheid land and agrarian policy is perhaps the great degree of consensus that emerged as the ANC prepared to take power in the run-up to 1994. This consensus was enabled by the ANC’s abandonment of any large scale programme of nationalisation, and by its eventual conviction that commercial farming would be more efficient and provide better food security than small farmers. These underlying points of departure were the foundations for a policy that seemed to promise to painlessly defuse Apartheid’s inequitable legacy in the countryside through a programme that would de-racialise land ownership while not threatening major social conflict. At the heart of this vision was a vision of land reform as essentially being a process of pro-poor market integration. The ANC’s 1994 manifesto and its initial formulation of the Reconstruction and Development Programme (RDP) described land reform as an opportunity for growth, promising to use land reform (the redistribution of 30% of land to small black farmers) to kick start rural development (ANC 1994). Those dispossessed of land under racial policies since 1913 could claim it back through a court process; insecure tenure in the former homelands would be institutionalised and formalised; but it seemed that the main vehicle for the transformation of the countryside would be a market-based, state-assisted land-reform programme aimed at giving new black farmers access to the opportunities for enrichment offered by commercial agriculture (ANC 1993; and see also NDA 1998 and NDA 2001). As for farm workers, their situation would be dealt with through the rolling out of a comprehensive suite of tenure and labour legislation.

Contrary to popular critiques, the ANC’s land reform policy after 1994 was far from being simply a neoliberal vision. Rather, it involved using a mix of market and regulatory measures to de-racialise power and ownership relations in the countryside. New entrants’ entrance to commercial agriculture would be supported through a range of measures aimed at eradicating racially based disadvantages: these measures ranged from subsidies for land acquisition to the broader application of measures for black economic empowerment. Protective legislation would deal with the excesses of the highly racialised labour regime operating on white-owned farms. But though the policy was a mixed one, it was ultimately shaped by a faith

[1] The commercial (i.e. white) farming sector in South Africa in 1993 was comprised of some 57 980 ‘farming units’. [Statistics South Africa, 2005. *Census of commercial agriculture 2002: financial and production statistics.* Pretoria, Statistics South Africa]

that poverty could be addressed through access to the opportunities offered by entry to markets, and that access to markets could allocate resources and reward investment in a way that was reconcilable with the aims of equity, social stability and racial redress. As important as the measures for supporting and protecting marginalised workers and supporting the entrance to commercial agriculture of new farmers was a sweeping programme of deregulation aimed at thoroughly liberalizing agricultural markets and rolling back the measures that had ‘distorted’ these markets in the past. This process had already been in progress in piecemeal fashion since the mid 1980s; but the new government consolidated and accelerated this process under a broad new agricultural marketing policy framework aimed at deregulating and liberalizing all sectors of agriculture (Jacobs 2009).

It is important to note that these three parallel policy thrusts – labour and tenure re-regulation, state support for new entrants, and market deregulation – were conceived of as acting in concert. Land redistribution would allow for more equitable access to land ownership and the other resources required for commercial agriculture; labour regulation would protect workers from the exploitation that characterised the highly racialised labour regimes of the past; market deregulation would ‘shake out’ inefficient white farmers who had depended hitherto on the super-exploitation of black labour and the protection afforded them by the Apartheid state.

The assumption that these measures would work in synergy required, of course, an underlying faith in the rational and equitable effects of the logic of capitalist modernization. The notion that market liberalization could impact positively on rural social relations by encouraging the ‘shaking out’ of inefficient white farmers depended on a usually unstated but powerful set of underlying assumptions about the nature of capitalist farming that equated racist backwardness with business inefficiency. This of course is a familiar story in agrarian debates in South Africa. In liberal South African discourse about the countryside, racist practices and institutions have long been conceived of as expressions ‘backward’ and ‘atavistic’ expressions of an essentially pre-capitalist and traditionalist mind-set that initially germinated on the old colonial frontier and that rose to full florid expression during the great Trek (see, e.g. Macmillan 1919 and Macmillan 1968). Liberalization would increase competitive pressures in the countryside, but those who ‘went to the wall’ were those who deserved to; while the modernising and business minded white farmers survived would have earned their place on the countryside. The same went for the legacy of racism in employment practices: what racist farmers did not realize, this liberal meta-narrative assumed, was that racism and exploitation themselves were bad for business: progressive and improving farmers would focus not on exploiting their workers, but on investing in them. Those who abandoned the practices of the Apartheid past would be rewarded; what was in everyone’s interest, farm workers and farm owners, established landowners and new entrants, was that ‘businesslike relationships’ should replace feudalism and paternalism (Lipton 1993). Meanwhile, a modicum of state support would allow the descendants of the African peasants who had competed so successfully with white farmers before Apartheid swept them off the land to re-enter commercial agriculture markets, benefiting from the substantial opportunities afforded by the opening of international markets.

What gave ANC agrarian policy its coherence and ensured support for it, then, was not simply an evaluation of the actual likely consequences and the desirability of the individual policies and measures on which it depended; neither was it in any real way the result of what these days is called evidence-based policymaking. Rather, it secured broad assent because it was enfolded in a compelling and widely supported ideological metanarrative about the relationship between racism, tradition, modernity, progress and South Africa’s integration into a global economic and social community. These underlying assumptions were widely shared. While land-based NGOs and those previously involved in resistance against forced removals continued to protest against the market-based nature of the mechanisms of land reform, a surprisingly large swathe of South African civil society, from black farmers’ unions to the trade union movement, from the progressive sections of white agriculture to mainstream business organizations, bought into this underlying narrative.

Here, it should be seen that this ideological thrust was not limited to agriculture and land reform. From a broader perspective, ANC policy was in general shaped by these underlying assumptions about the benefits and purpose of modernisation, liberalisation, and global integration; particularly under the presidency of Thabo Mbeki. Indeed, the core ideological themes that characterised the Mbeki presidency – the commitment to an ‘African Renaissance’, the modernising impulses in the NEPAD programme, and the ‘two economies’ thesis central to Mbeki’s later years – all broadly assumed that the eradication of the legacy of colonialism and Apartheid depended on ‘Africa’ and Africans ‘rejoining’ a modernising, progressive, and liberal world order from which they had been ‘excluded’ by Apartheid and colonialism. The African Renaissance, for all its Africanist emphasis on local authenticity, was ultimately a vision of the revaluation and re-empowerment of Africa not in its own terms, but through international integration an acceptance [reference to be included]. NEPAD analysed African poverty and underdevelopment not as the consequence of Africa’s *subjection* to capitalist exploitation, but of its colonial *marginalisation* and *exclusion* from it, and defined the prospects of economic growth very much in terms of hopes for integration into global economic circuits and access to Northern markets (NEPAD 2001). The two-economies doctrine saw poverty in South Africa as the result of poor people being ‘trapped’ in a ‘third world economy’ that existed ‘alongside’ the mainstream one but structurally disconnected from it, and explicitly called for either its ‘elimination’ or its absorption and integration into the economic mainstream (Mbeki 2003; PCAS 2003). Each of these ideological and political interventions essentially saw African marginalization and poverty as the result of African people’s exclusion and expulsion from terrains of social, economic and cultural action from which they would otherwise have benefited, and linked hopes for the reduction of marginalization and poverty to their re-integration and inclusion in the global political and economic mainstream. [2]

[2] These tropes and assumptions are of course not new in South African politics: they are powerfully reminiscent of some of the central themes in the ‘radical liberalism’ that animated organized

Contradictions and Consequences

Compelling visions and powerful paradigms are one thing, of course, and what actually happens when policymakers and governments try to act on them is another. At the time of writing it is clearly evident that the policy mix crafted by the ANC has not delivered the expected results. Land reform policy for the most part met with failure: the programme has fallen woefully short of its targets for land redistribution; small black farmers continue to be marginalized and impoverished, and farm worker tenure and livelihoods, far from improving, are more insecure than ever (Lahiff 2008).

The reasons for unsatisfactory track record are of course many and various. A comprehensive account of the failure of agrarian policy in South Africa has to consider a wide range of interlocking and complex factors including the lacunae in rural development policy more broadly, the failure and limited capacity of the state at local level; the impractical, bureaucratic and contradictory design of many of the implementation measures; the lack of fit between proposals for tenure reform on commercial farmlands and the reality of farm workers' needs and resources on the ground; the constraining macro-economic environment, and many more factors (Lahiff 2008). Tempting as it might be to blame all of the ills of land reform *tout court* on 'neoliberalism' or on some other systematic ideological or doctrinal 'error' of the ANC government, it should be recognised that there is no simple ideological 'magic bullet', an alternative analysis or policy framework that, were it to have been adopted, would have enabled the intractable problems the new government faced in the countryside to have been decisively resolved. As Henry Bernstein argued, the configuration of race and power in the South African countryside is 'extreme and exceptional'; the 'agrarian question of capital' – the question of the path of capitalist transformation in the countryside – has been decisively resolved in favour of capital (Bernstein, 1996). No coherent and organized social group exists that can convincingly challenge or restructure the nature of productive relations on the post-Apartheid countryside. The scope for change is constrained, and land reform policy, however it is formulated, can only have limited impact (Walker 2005).

What, then, are the alternatives? This paper explores the possibility that, although not every flaw and failure of the ANC's land reform policy can be traced back to failures of analysis and ideologically slanted assumptions, developing sensible and appropriate agrarian policies does require that one goes beyond the blind spots and the unexamined assumptions that underpinned the new government's agrarian vision. In the pages that follow, I argue that this vision was based on unrealistic and mistaken assumptions about the likely consequences and impacts of 'inclusion' and 'integration' into commercial markets. This is not to say that inclusion would always and automatically be negative. It simply implies that realistic policies require a more sober and nuanced assessment of who would benefit from inclusion, of the terms of

resistance against the Apartheid regime in the 1950s and 1960s, and which provided the underlying framework for much non-Marxist thought in both the ANC and the Liberal Party.

inclusion, of its differential impacts on marginalized and vulnerable groupings, and of the ways in which disadvantage and powerlessness might or might not be countered.

In the following sections, this paper considers recent research done within PLAAS and the CPRC on aspects of agrarian and agricultural change in South Africa. All of the research considered is sensitive to the dynamics of adverse incorporation: in particular these papers add a ‘vertical’ dimension (Ponte 2008) to chronic poverty analysis, considering the complex ways in which poor and marginalized rural people are affected by capitalist integration, participation in commercially oriented agriculture, and inclusion in commercial agro-food value chains. This overview cannot pretend to completeness: South Africa’s rural and farmed landscapes are various and divergent. Markets are not abstractions, but always exist in locally concrete and institutionally specific ways; and therefore the nature of integration, inclusion, incorporation and participation in commercial markets always takes place in differentiated and locally specific ways. But much can be learned from each of these studies about contradictions and tensions that are much more general in scope.

Jobless De-agrarianization in the Eastern Cape

This section of the paper considers research done by PLAAS researchers in the Mount Frere area in the Eastern Cape between 2002 and 2006 as part of a series of projects commissioned by the Chronic Poverty Research Centre and the South African Treasury (Du Toit & Neves 2006; Du Toit & Neves 2007; du Toit & Neves 2009a; Du Toit & Neves 2009b). Mount Frere is situated in the Eastern Cape, and is among the poorest and most deprived regions in South Africa Poverty here is driven by the complex dynamics of post-industrial decline and jobless de-agrarianization (Bryceson & Jamal 1997; Bank & Minkley 2005; du Toit & Neves 2006). Livelihoods in this area have for decades depended heavily on remittances sent by migrant workers labouring in the manufacturing and mining industries of South Africa’s metropolitan centres. Those industries have been in decline since the 1980s, and remittances from the urban areas are drying up. Young adults leaving school find few opportunities for access to urban job markets, and many hopeful job-seekers often end up returning to their home villages, to use the words of one local informant ‘still wearing the shoes in which they left.’ At the same time, the opportunities for sustainable livelihoods within the local economy have been diminishing as well. Agriculture in Mount Frere has been in significant decline: the terraced fields earlier used for planting field crops (the *insimbi*) stand unused and unfenced, being used mostly for grazing; while in much of the former Transkei household agriculture has narrowed down to the small planted garden plots next to rural homesteads (Andrews & Fox 2004). At the same time, in contrast to processes of de-agrarianization elsewhere, there has been no corresponding increase in local service sector jobs. Many households depend entirely on cash transfers, with old age pensioners or disabled people sharing – or being forced to share – meagre grant income with a large number of dependents or hangers on (du Toit & Neves 2006; Bank & Minkley 2005).

To some extent, of course, prime causes of the depressed economic state of the area lie with the harsh climate, distance from commercial centres, and governmental neglect. Years of lack of investment has deprived the area of vital infrastructure. There are no local provisions for irrigation; roads are poorly maintained and often impassable in winter; there is no subsidized public transport to speak of, and markets are unreachably distant. At the same time, it is clear that the lack of opportunities for local economic activity is not only a consequence simply of distance and lack of connection with South Africa’s mainstream economy. In some ways, the problem lies in the fact that this mainstream economy is very present, but in ways that undermine the space for agency and enterprise. Some scholars, for instance, have argued that opportunities for accumulation and productivity sometimes seem to depend, not on *connection* to the metropolitan economy but on distance. Thus Patrick McAllister has argued that the survival and prospering of an agricultural economy in some parts of the rural eastern Cape is due to the fact that local social relationships have precisely *not* been disturbed and transformed by modernising transformation, and that agricultural production depends not on connection to the urban metropole, but on the maintenance of local social networks and forms of social reciprocity (McAllister 2008). In Mount Frere, in contrast, the social relationships of labour and the productive strategies upon which local agricultural production depended appear to have been substantially eroded: the material and social arrangements that allowed small farmers to make effective use of animal traction are collapsing or changing. Animal traction, which depended on a local relational economy of reciprocal exchange, has been replaced by the use of tractors, which means that only those who already have money can afford to plough: the most marginalised and poorer households - those who can least afford store-bought food – are precisely those with least opportunities for independent agricultural production. (Heron 1991; Du Toit & Neves 2006)

A particularly ambiguous role is played by the presence in Mount Frere of the giants of South Africa’s retail and services sector, and particularly of South Africa’s major supermarket chains (Spar, Boxer/Pick n Pay, and Shoprite). The ability of these supermarkets to provide access to relatively low-priced staples has complex local effects. On one level, this does enable those who have some access to cash to stretch their resources. On another level, their arrival has had profound effects on the local productive economy. For one thing, the availability of cheap staples reduces the incentives for local agricultural production – not only because own maize is no longer significantly cheaper than store-bought, but also because access to store bought maize does not involve the risks imposed on own production by the vagaries of the local climate and the risk of theft. Secondly, the coming of supermarkets has eviscerated the local trading stores that, before retail deregulation, formed the hubs of a local credit economy. Thirdly, local supermarkets compete with small entrepreneurs, squeezing them out of the service economy, while their supply chains bypass local producers. Ultimately supermarkets work to plug Mount Frere into the national retail economy – but on disadvantageous terms, creating circuits of exchange which effectively siphon money out of the local economy and short-circuit the multiplier effects which might otherwise stimulate rural development (Du Toit & Neves 2007).

In this harsh economic context, households survive by piecing together what resources they can glean from urban remittances, pensions and other cash transfers, as well as marginal and low-paid employment in a local service sector (weaving, making mud-bricks, brewing beer). Survival in this context depends crucially on the way in which one is connected into local social networks (kinship, clan membership, village life, and other forms of association) and the extent to which one is able to participate in the practices of reciprocal exchange that constitute and sustain these networks. Individuals who have access to significant material resources, and households that contain such individuals – can do relatively well, and can ‘transact’ in these networks to their advantage. Others – those who have little access to monetary income, those who have few powerful patrons, and those who are disadvantaged by their identity and positioning in the context of conservative and patriarchal discourse (single female household heads, young unmarried women, unemployed youth more generally) – are marginalized within these networks, and often end up being locally exploited by those more powerful than they (Du Toit & Neves 2009a).

Thus far, this discussion of the dynamics of poverty in Mount Frere highlights some of the key *general* aspects of spatial adverse incorporation. Mount Frere’s economic problems flow both from its remoteness and from its dependency: its problem is not simply that it is disconnected from South Africa’s urban centres, but rather that more than a century of capitalist development have connected it to those centres on disadvantageous terms. In some ways the metropolitan centres are both too close and too far: too far because of the distance from job markets, and too close because of the omnipresence of the corporate giants of South Africa’s corporate retail sector, which crowd out local entrepreneurship from all but the least profitable sectors.

What happens to agricultural production in this context? Household-level agricultural production continues to play an important but limited role. While almost all local households are involved in agriculture (97% report having using land for food production, and 83% own livestock of some kind) only 6% of these households report that agriculture produces a cash income. Furthermore, for a vast majority of households that are involved in agriculture, food production plays only a supplementary role: 87% of households report that they are dependent on store-bought maize meal all year round, while only 5% report that they can produce enough maize for own consumption for 3 months in the year or more (Du Toit & Neves 2006). [3]

What is particularly worth noting, however, is the complex role agricultural production and consumption plays in the social networks and processes of reciprocal exchange described above. Here, as elsewhere in South Africa, where households do produce a surplus, they are as likely to barter it as to sell it. Agricultural production

[3] This is broadly in line with national trends and patterns. According to South Africa’s Labour Force Survey (LFS) , 4 million people (in about 2 million households) report practicing agriculture. An estimated 92% engage in agriculture for food production, mainly to supplement other sources of food; while 4% report significant cash income from agricultural production (PLAAS 2008).

is one aspect of a classical pluri-active livelihood strategy, in which householders combine a wide range of different income generating and other activities. Interestingly, PLAAS research seems to indicate that one of the benefits of this pluri-activity is not merely that it allows households to spread risk; as important is households’ ability to create synergies and convergences that create a whole greater than the sum of its parts. A key to survival for poor people is thus their skill as strategists, integrators and *bricoleurs*, weaving disparate sources of income and complex processes of social exchange into a coherent existence. Both agricultural production and the distribution and consumption of what is produced are deeply imbricated in complex processes of reciprocity and negotiation within the household and with other, neighbouring households.

Agricultural production, in other words, needs to be understood not only in terms of its relation to markets or its vital contribution to food security, but also in the way in which it enables a wide range of forms non-monetized exchange and the accumulation of what in development-speak is these days inexactly known as ‘social capital’. ‘Subsistence production’ is central to the institutions, arrangements and practices of local systems for informal social protection, and the forms of symbolic credit, social prestige and exchange on which these systems depend (McAllister 2008; du Toit & Neves 2006). As such it plays a vital local socio-economic role, and is central to the area’s ability to serve as a ‘cushion’ or ‘ buffer’ for failed migrants and for urban kin needing support in facing unemployment or other shocks (Du Toit & Neves 2009a).

Crucially, most South African agrarian policy is for all intents and purposes irrelevant to these producers. Tenure reform is all but stalled in the logjam around the status of traditional authorities, while support for ‘new’ and black farmers ignores the needs of small and ‘subsistence’ producers: no extension services or infrastructural support of any kind reaches them. The Department of Land Affairs’ land acquisition grants do not address their needs - partly because their problem is not lack of access to land, but lack of access to cash with which to farm it[4]. This is a point to which we will return later: As Aliber and others point out, while subsistence farmers make up the majority of food producers in South Africa, they exist in almost complete policy vacuum (PLAAS 2008). In spite of policy rhetoric recognising the importance of the subsistence sector and calling for an agricultural sector characterised by the full spectrum of production types and farm sizes, the most notable feature of post-apartheid agricultural policy is the perpetuation of Apartheid’s agricultural dualism: department of Agriculture thinking is still characterised by a Manichean divide between ‘subsistence farming’ on the one hand, which is conceived to be backward, traditionalist, disconnected from markets and of negligible importance to development and food security; and ‘commercial farming’ on the other, which is understood in terms of the business models, operating practices and farming styles

[4] Nor are they waiting for micro-credit. The riskiness of agricultural production in this environment and its imbrication in a local relational economy rather than in direct commercial production means that many those who would plough if they had the money would be unlikely to benefit from formal provision of financial instruments.

of large-scale, technology, management and capital intensive industrial agribusiness (PLAAS 2008).

Incorporating small farmers in commercial markets

Outside of proposals for tenure reform, the central focus of post-Apartheid land policy is not subsistence farming but the aim of enabling access to commercial markets by marginalised black producers (both smallholders and medium-sized farmers) . As stated above, it was envisaged in the original policy documents that this would be accomplished through a mix of market and non-market measures: on the one hand, liberalization would be used to open up markets for all participants, while on the other ‘new entrants’ would be provided with selective state support to enable them to compete against established farmers. However, although the first part of this programme – the deregulation and liberalization of agricultural markets – was accomplished with thoroughness and determination, there has been relatively little in the way of clear or workable processes for thinking about how small farmers would be supported and enabled to participate in these markets.

The key vehicle by which the post-Apartheid government sought to regulate agriculture was the Marketing of Agricultural Produce Act (1996), a sweeping piece of legislation aimed at increasing market access for all agricultural producers, promote the efficient functioning of agricultural markets, maximise earnings from the export of agricultural products, and enhance the viability of the agricultural sector. It was a radical departure from the piecemeal and reversible liberalization of agricultural markets begun in the mid 1980s: it changed the way in which marketing policy was managed and decisively opened the sector to global influences (Tregurtha and Vink, 2007). As Jacobs points out, the act was pivotal in that it provided the template for *all* policies focussed on agro-food markets and agrarian reform, creating the economic context for land reform, black economic empowerment (BEE) and agricultural support. Crucially, the Act de-racialised the regulation of agriculture, doing away with the legislation that had governed agriculture in the former Bantustans and thereby “bring[ing] black smallholder farmers under one national agricultural market policy regime” (Jacobs 2009: pp]. An important consequence of this de-racialising move was however that henceforth there was little systematic basis for distinguishing and separately treating small black farmers and new entrants into commercial agriculture. Despite the fact that real-world conditions did not mirror this notional legal equality, they were in real terms lumped with other commercial producers. While there was some recognition that small farmers, unassisted, would not be able to compete against established, large-scale commercial farms, proposals for ‘levelling the playing field’ were confined to proposals for selective support to small farmers through e.g. access to market information and extension services (Jacobs 2009). Later proposals also included the facilitation by government of contractual joint ventures between small-scale farmers and private investors, the assumption being that there would be a transfer of skills and access by black farmers to capital, markets and technology (Tapela 2008).

But this theoretical commitment to small farmer support has not translated well into practical reality. As is well known, this follows in part from the fact that land and agrarian reform is the direct responsibility of two different government departments: the actual redistribution of land is the responsibility of the Department of Land Affairs, while almost all matters related to agricultural production and marketing lay with the Department of Agriculture. This created a institutional discontinuity at the heart of the agrarian reform process between the acquisition of land on the one hand, and what came to be called ‘post-settlement support’ on the other; a classic case of un-joined up government which often left land reform beneficiaries high and dry, vainly looking for support to a Department of Agriculture which often did not really know what to do with them. This has contributed to the significant rate of failure of land reform projects in meeting their economic objectives: the Department of Land Affairs itself estimates that around 50% of all land reform projects have failed or collapsed (PLAAS 2008:91).

But this disconnect was not merely due to these technical factors. Feeding into this institutional divide was an ideological and intellectual struggle about two very different visions of the place of commercially oriented small farmers in the agricultural sector. On the one hand, policymakers linked to the Department of Land Affairs were often animated by an analysis premised on the assertion of the so-called ‘inverse relationship’ between farm size and efficiency. According to this view, smaller farms tend to have higher returns per hectare than larger farms, partly because they are not exposed to the same problems in labour supervision experienced on large farms, and partly because they are more labour intensive (Lipton 2005; for a recent reprise of these arguments see Wiggins 2009). This analysis has not been shared by policymakers and planners in the Department of Agriculture: these still tend to assume that commercial success depends on the advantages offered by economies of scale; consequently they have given little attention to the need for subdivision of redistributed land; furthermore, as an important recent study noted, “there is no technology policy or orientation that encourages or enables beneficiaries to adopt more labour-intensive styles of farming” (PLAAS 2008:19). The main outcome of this disconnection is the creation of a second policy vacuum: alongside the almost complete inattention to the role and needs of the ‘subsistence’ sector, there is also what Michael Aliber has characterised the problem of the ‘missing middle’ (pers.comm) – agricultural policy continues to assume large-scale industrial production and is marked by the lack of attention to the real needs and capacities of what is likely to be large numbers of market-oriented or potentially market-oriented smallholders, and an increasing tendency to focus on the needs of medium-sized black producers (PLAAS 2008:86; see also 93). Land reform and agricultural policy was therefore not informed by a real understanding of the difficulties faced by new entrants in the process of integration into commercial agricultural markets. The ‘Business plans’ required of land reform beneficiaries (and, should they want to settle on their land, of restitution claimants) often had little bearing on reality, often being drawn up by planning consultants who simply cut-and-pasted existing commercial farming models with scant regard to the actual capacities, needs and proclivities of land reform beneficiaries. Increasingly, researchers are arguing that post-settlement support as it is presently designed is unable to remedy the fundamental problems created by programme and project design.

One underlying problem is that agricultural policy has tended to conceptualise access to commercial markets in an undifferentiated way, with very little attention to the wide range of different ways into which small farmers are or could be connected to markets. Instead, new entrants are often assumed to compete in the same markets, and in the same way, as their large-industrial, corporate and mostly white-owned equivalents. In particular, it is often assumed that land reform beneficiaries and new farmers could benefit significantly from being given access to high value niche markets (organic produce, etc) that would allow project costs and loans to be rapidly recouped.

The reality is that smallholder farmers are often poorly positioned to take advantage of participation in these highly competitive value chains (Ponte 2005) This is an important caveat to those who promote commercially oriented smallholder farming as a pathway out of poverty on the strength of the notion of the inverse relationship: even if there are real efficiency gains linked to smaller farming sizes, smallholders are often at severe disadvantage in the value chains with which they are linked to downstream markets. While many smallholders rely on informal rural markets, they are often outcompeted in these markets not simply on price, but because most of the produce sold in these markets is supplied by vendors who prefer dealing with commercial volumes who can supply them in large volumes (Jacobs 2009). Similarly, smallholders are at a significant disadvantage when dealing with the large retail multiples that increasingly dominate the South African food market: many of these, especially the large supermarkets that serve high income markets have highly centralised procurement and distribution systems with which smallholder farmers with their lower volumes are not well positioned to cope. In addition, smallholders often find it hard to comply with these buyers’ requirements in terms of consistency, variety, quality and certification systems (Ponte 2005, Jacobs 2009).

Here, it is important to remember that as Stefano Ponte has pointed out, the implications of agro-food value chain integration for small producers differ markedly depending on the nature and structure of the value chain. Value chains that are less buyer driven can have substantial positive impacts on poverty (Ponte 2008). Similarly, Jacobs has pointed out that in South Africa, smaller supermarkets that rely on fresh produce from local farmers do not offer the disadvantages facing smallholders attempting to deal with centralized national supermarket chains, while wholesale produce markets like the Johannesburg Fresh Produce Market have proactively expanded access to its trading facility to smallholders. While these downstream actors do not offer access to the high-value niche markets targeted by supermarkets such as Woolworths or Pick n Pay, they may offer more sustainable pathways to integration (Jacobs 2009).

These distinctions have however not found much purchase in policy. A telling case study of what can go wrong in the integration of smallholder farmers in commercial farming is provided by Tapela’s case study of the Revitalisation of Smallholder Irrigation Schemes (RESIS) programme in Limpopo province (Tapela 2005; Tapela 2008). A key issue in this case was that irrigation reform was not simply aimed at helping smallholder farmers by getting dilapidated schemes working again: instead, access to the benefits of these interventions was conditional upon implementers ‘capacitating’ these smallholder farmers to farm profitably. These preconditions resulted in poorly thought out interventions that ignored the real interests of small farmers and their social relationships on the ground. Thus, the notion that water reform had to ‘pay its way’, and that investment in small farming was worthwhile only if it led to commercial production ultimately meant that vulnerable and monetarily poor farmers were subject to greater degrees of risk, as well as stringent phytosanitary requirements and other regulatory pressures with which they were poorly positioned to comply Tapela shows how this led to intractable conflicts and project failure: Small farmers without the financial wherewithal to compete effectively in commercial cotton production ended up indebted and in danger of losing their land. Some have chosen to focus on less profitable but less risky local markets rather than the globalised commodity chains to which planners imagined they would be linked (Tapela 2008).

It is important to note the key issue here. The point is not simply that policymakers did not ‘realise’ that small farmers would struggle to compete successfully in commercial agricultural markets, or that implementers could not see the practical and concrete difficulties faced by participants in particular projects. Rather, what is at issue is how the underlying metanarratives and assumptions that drove policy caused project decision-making to override evident local realities. This is a recurrent theme in the implementation of land and water reform projects: plans are all too often shaped by policies premised on the *supposed* alignment of a range of divergent goals and considerations which though perhaps not absolutely contradictory, are often deeply in tension: the requirements of equity and the imperatives of commercial success; the conflicting and divergent aims and interests of a wide range of stakeholders and participants; considerations of ecological and commercial sustainability; the political charge of racial tension and the historical memory of injustice, and so on. Projects and plans take on an institutional momentum in which there is very little space for implementers to design projects that realistically take local realities and beneficiaries’ real needs into account. In the case of the Limpopo farmers considered by Tapela the notion that all investment in infrastructure for small farmers had to find its justification in commercial production, and the further assumption that commercial production had to involve integration into supermarket-dominated or export-oriented agro-food systems had dire consequences: project implementers and government officials ended up shoe-horning marginalised and poor land reform beneficiaries into projects based on templates that had little to do with their own plans or their material realities.

Tapela reports that more recently, partly as a result of a recognition of the constraints faced by small farmers competing in commodity markets, there has been a shift in the emphasis of the RESIS Programme away from active participation by small-scale farmers towards a focus on infrastructure development. In terms of this new focus, smallholders’ land is being ‘opened up’ to access by private investors: in effect this means that smallholders are being reduced to farm workers, and their land is controlled by large scale commercial (white) farmers. (Tapela pers comm.)

The irony is inescapable: policymakers and implementers in post-Apartheid South Africa are supporting programmes that involve a wholesale abandonment of the aims of land reform, and preside over processes that mirror and repeat the erosion of land rights that characterised rural struggles during Apartheid.

Externalisation and casualisation in labour-intensive agriculture

What of those members of the rural poor who labour on the land of others? In on-farm employment, post-Apartheid land, agricultural and labour policies have had equally ambiguous effects. As in the case of land and agrarian reform, the de-racialisation of rural social relations, social equity, and the creation of sustainable livelihoods were to have been achieved through a mix of de-and re-regulation. To some extent, it was supposed that the legacy of highly racialised and exploitative labour relations bequeathed by Apartheid would be transformed by the incentives of opportunity and capitalist rationality: in particular, increased access to export markets would create new opportunities for farmers and support agricultural job creation. Some farmers, it was hoped, would see the benefits of investment in worker productivity and would jettison the racist management practices and paternalism of the past in favour of rational, modern management methods, while a raft of protective legislation (e.g. the Basic Conditions of Employment Act, the Labour Relations Act, the Extension of Security of Tenure Act) were to provide weak and vulnerable workers with basic protection.

The reality is, however, that for most farm workers, poverty and insecurity has increased. Employment in the agricultural sector as a whole declined: Agricultural statistics for the country as a whole suggest that while employment of skilled workers has increased somewhat, formal on-farm employment decreased from about 1.1 million in 1993 to less than 630 000 by 2006 (Tregurtha & Vink 2007). In addition, the sector as a whole has seen a shift to non-permanent, seasonal and externalised labour.

A detailed examination at labour market restructuring in the wine and fruit industry of the Western Cape – one of the most important labour markets in the commercial agricultural sector can cast some light on the underlying dynamics that drive these trends. This author and Joachim Ewert (Ewert and Du Toit 2005) have argued that policy changes in commercial agriculture and labour regulation ushered in a triple transition in this sector. Firstly, trade liberalization led to a complex process of global agro-integration as wine and fruit growers became locked into global value chains heavily dominated by Northern supermarkets (Kritzinger & Barrientos 2004). While this created significant opportunities for some wine producers and fruit growers - those who were able to create strong brand identities, and who were able to comply with the stringent price and quality demands of Northern buyers – most producers found themselves facing increased pressures on prices, and higher levels of uncertainty and risk, and face being left out of premium markets altogether. Secondly, local industry deregulation extensively restructured the internal relationships within the local industry. In the wine industry, this brought about a shift in the power relations between growers, sellers and retailers: a complex internal market has developed for both wine and grapes, with power concentrated not among grape growers but among cellars and brand-owners. In the fruit industry as well, power shifted to packers and exporters, which played an increasingly important role in the regional co-ordination of supply chains and which dictated price and quality concerns to farmers. Thirdly, democratisation and labour and social regulation increased the direct and indirect costs of permanent labour, disrupting the informal regulation of labour characteristic of the paternalist labour regime without being able decisively to transform it.

The effects of this process of simultaneous de- and re-regulation on the livelihoods of farm workers have proved to be ambiguous. A small core of rather more skilled workers who have managed to hold on to permanent employment have benefited from the access to new markets offered to their employers, and the enforcement of minimum labour and tenure regulation in law. Many other workers have proved not to be so lucky. A key issue is that many employers, perceiving themselves to be caught between the rock of price pressure and stringent quality demands from supermarkets on the one hand, and the hard place of increasing labour regulation on the other, responded by exercising one set of choices still within their grasp: unilaterally restructuring their labour arrangements (Du Toit & Ally [date], Theron 2009). Reliable figures are contested and hard to come by[5], but evidence seems to indicate that wine and fruit farmers in the Western Cape have embarked on an uneven but distinct process of casualisation, contractualisation and externalisation, getting rid or evicting permanent workers and replacing them with impermanent or seasonal teams either directly employed by themselves or under the management of third parties. The result, Ewert & du Toit argue, is that livelihoods in the horticultural districts of the Western Cape are characterised by a deepening ‘double divide’ between ‘winners’ and ‘losers’: the first divide is between those farmers who are structurally positioned to benefit from the changes brought by globalization, and those who are not; the second is between farm workers who have managed to hold on to permanent employment as core workers and those who have been retrenched, or who have fallen victim to casualisation and externalisation.

Similar dynamics and trends seem to have in place elsewhere in labour-intensive commercial agriculture. In the Northern Province and Mpumalanga, farm workers have been similarly subject to evictions and casualisation, driven partly by farmers’ reactions to tenure legislation but also by the long-term trends in the agricultural economy. Tregurtha and Vink suggest that there is anecdotal evidence that these evictions have substantially contributed to the growth of dense rural informal settlements and peri-urban informal settlements in the South African countryside. Citing work on farm evictions done by the Nkuzi Development Association’, they conclude that “the loss of livelihoods resulting from disemployment and evictions from farms during the 1990s outweighed the creation of new livelihoods in agriculture through land reform “(Tregurtha and Vink 2007:22)

[5] Conradie (date) questions the trend for externalisation, and purports to contradict du Toit and Ally (2004) on the extent of externalisation and seasonalisation in the Hex River. This is an odd contention, since as a reading of this paper should show, du Toit and Ally argue that seasonalisation and externalisation have been limited in that district.

Agrarian Reform and the Terms of Agro-food integration

What are the implications for talk of ‘social exclusion’ and ‘adverse incorporation’? Firstly, the case studies above underline the importance of going beyond the simple counterposition of ‘exclusion’ and ‘inclusion,’ and question the assumption that poverty results in a simple or direct way from an ‘exclusion’ from markets that needs to be met or countered through a corresponding effort at ‘inclusion.’ Secondly, they stress how important it is to be quite clear about just *what* it is that people are excluded from or connected to: in particular, attempts to connect poor people to opportunities for growth requires a much more differentiated notion of the diversity of ways in which people can be connected to very differently constituted (e.g. ‘global’, local, formal, informal) markets. Thirdly, they emphasise that it is particularly important to look at the ways in which people are inserted – as producers *and* as consumers – into local and global commodity chains in general, and agro-food chains in particular. Fourthly, they suggest that the analysis of social exclusion or incorporation should pay attention not only to in/exclusion from markets, but also to insertion in other social formations: social networks, patron-client relations, and so on.

In the context of Mount Frere, for example, attention to the nature and terms of exclusion and inclusion shows how important it is to go beyond the simple notion that its economic problems stem from spatial isolation. In the first place – and this is a point to which we will return – to characterise Mt Frere agriculture in terms of its disconnection from distant markets is to understand it only partially. There, ‘subsistence’ agriculture is not ‘autarkic’ or ‘disconnected’ but richly integrated and connected – but it needs to be understood not in terms of its articulation with distant markets, but in terms of its role within local, *non*-market and *social* systems of transaction and exchange. Subsistence production plays an important role, not only through its direct contribution to household income, but also as part of the local practices through which moral community, neighbourliness, and social standing are enacted and maintained.

In the second place it seems that integration into the broader capitalist economy of South Africa has had highly differentiated impacts. A small fragile elite is well positioned both in terms of local social relations and in terms of their relationship to the ‘mainstream economy’: securely plugged into the apparatus of the local state and possessing strong and advantageous connections to the urban job market, they can use their positional power to form networks of local patronage that work to their benefit. Very differently positioned is an impoverished ‘pensionariat’ (Bank & Minkley 2005) that subsists on pensions and on meagre remittances from urban relatives: these benefit in some senses from the presence of supermarkets that can provide staples and foodstuffs more cheaply and securely than can be achieved by own production; but in the long run the presence of ‘big retail’ in the ‘deep rural areas’ also acts to undermine the prospects for smallholder agricultural production and local markets and reduces the opportunities for multiplier effects. Social networks in this context are vital but vulnerable; they can ameliorate the worst impacts of poverty and vulnerability but they are increasingly stressed and conflictual. The worst-off are those who are marginalised within both the local moral community and the market economy: bereft of cash or resources, they lack any real leverage in their local social networks, where they often transact on highly disadvantageous and exploited terms.

Where attempts have been made to integrate small farmers into commercial markets as producers, success or failure has depended crucially on the configuration of the agro-food systems concerned and the precise ways in which small farmers have been inserted within them. Hopes that small farmers would be able to benefit from the opportunities afforded by links to high-value market niches have tended to be torpedoed by the high demands placed on producers participating in these usually highly buyer-driven value chains. A crucial issue here is that success is affected not only by on-farm productive efficiency, but by the additional demands imposed by demonstrating compliance with quality and other standards, and by the demands for economies of scale among downstream actors. Small farmers have done better when they are connected to less profitable, but also less demanding local markets. Even local informal markets, however, have been dominated by large commercial farmers, who have been better served by intermediaries. Smallholders’ experience of agro-food integration in South Africa underline Stefano Ponte’s trenchant warning that ‘integration of people or areas into global value chains and trading relationships will exacerbate chronic poverty if the “normal functioning” of these chains is left unchecked’ (Ponte 2008:1).

The conditions of labour on commercial farms have been affected by the highly differentiated impact of these farms’ integration into global markets. This is an issue more or less entirely ignored in the design and rolling out of labour and tenure legislation: debate and discussion on the content of legislation focussed almost entirely on the desirability of the creation and enforcement of particular labour and tenure rights, with little consideration of how the impact of this legislation would be mediated and shaped by farmers’ positioning within local and global agro-food networks. Liberalization has lead to a radical re-organization of relationships between farmers and local agents in the value chain: Some – for the most part the bigger and better resourced producers – have been net beneficiaries, gaining access to new markets, expanding production, and becoming connected into highly vertically integrated commodity chains. On these farms, a small core of skilled farm workers has managed to hold on to permanent employment, and have seen their incomes and security increase. Even they, however, are a minority: even progressive and successful wine estates and fruit growers have tended to reduce their permanent labour force, relying increasingly on off-farm and externalised labour. A great many other farms, however, have not been able to position themselves in this way; here, the pressures to reduce the permanent labour force and evict workers have been more intense. Even more disconcertingly, attempts at private-public regulation of the conditions of labour in the value chain – e.g. by the Ethical Trading Initiative, which tried to specify minimum working conditions on farms supplying British supermarkets – disconnected workers’ living conditions from the broader economic conditions, trying to impose worker standards while refusing to address the extent to which supermarket’s prices made the achievement of such standards possible (Du Toit 2003).

A focus on ‘adverse incorporation’ in the transformation of the South African countryside is thus able to highlight some important underlying themes and highlight some crucial reasons for difficulties and failures so far. Particularly important here is the need not to turn ‘adverse incorporation’ into a blanket term: we should not replace the teleology of ‘inclusiveness’ with an opposite equally suspect teleology of subjection and dependency. The consequences of both incorporation and exclusion can be complex, contradictory, ambiguous, and are always highly specific and differential in their workings. Such an analysis casts clearer light not only on who loses, but also on who wins, and why, and on the nature of the power relations that shape the course of attempts at reform in each of these areas. The concluding sections of this paper considers the implications for South African land reform more broadly, and explores whether policies can be formulated that not as susceptible to these pitfalls.

Commercial integration and pro-poor land reform

Policy, Politics and Ideology in Agrarian reform

Criticism of South African land reform programmes, particularly on the left, has often tended to focus primarily on the difficulties imposed by the Constitutional protection of the property rights and the limitations imposed by the ‘willing buyer, willing seller’ model on the ability of government to expropriate white owners. As Lahiff has pointed out, this exclusive focus on the obstacles to the means of land acquisition misses deeper and possibly more intractable problems (Lahiff 2008). Above and beyond the problems imposed by the direct cost of land acquisition, agrarian change has been undermined by the fact that agricultural policy is not informed by any coherent vision of the role of subsistence agriculture, and by models of commercial agricultural production slanted in favour of large scale industrial farming and ill suited to the realities faced by small farmers (PLAAS 2008).

This disjuncture has created serious tensions in post-Apartheid agrarian policy. On the one hand, land reform is motivated by pro-poor and social equity aims, in terms of which a key aim of land reform has to be ‘ensuring food security.’ On the other hand, land reform projects are implemented through models premised on the primacy of commercial production, while other elements of land reform policy emphasise the creation of a new layer of commercial and medium-scale new black farmers. This tension has meant that land reform implementation has been characterised by a succession of (mostly failed) attempts to find viable models for land acquisition and ‘post-settlement’ support. Aliber and others note that “[w]hile the overall aims of land reform remain as broad as when the White Paper on South African Land Policy was issued in 1997 – i.e. to promote equity, justice, poverty reduction, economic upliftment, and tenure security – for land redistribution in particular there has been a noticeable shift in favour of commercially-oriented ventures.” Policy instruments have been marked by an increasing tendency to de-emphasise support to subsistence farming and to emphasise the importance of

commercial farmer support. Thus the Department of Land Affairs’ initial Settlement and Land Acquisition Grant (SLAG), which subsidized the acquisition of land by poor and landless people, made way for the Land Reform for Agricultural Development (LRAD) grant, which did not require beneficiaries to be poor to be eligible for a grant, and which linked grant size to the amount of savings and finance candidates could bring to the table (Department of Agriculture 2001; Lyne & Darroch 2003).
More recent proposals have been for a parallel distribution programme known as the Land and Agrarian Reform Programme (LARP), a programme explicitly focussed on transferring 5 million hectares to potentially successful medium-sized black beneficiaries, in the hope of adding 10 000 black farmers to South Africa’s commercial agriculture sector (PLAAS 2008).

While LARP has the benefit that it at the very least tries to resolve the contradiction at the heart of land reform policy, it does so at by relinquishing most of land reform’s pro-poor content. If it manages to succeed, LARP will amount at best to an expensive programme in what in current policy parlance is known as ‘narrow Black Economic Empowerment’: Billions of Rands will be spent in establishing a small group of medium-scale black farmers while the legacy of rural landlessness, de-agrarianisation and politically charged histories will be left untouched.

The significance of this last point should not be underestimated. The contradiction between a notionally pro-poor land reform policy aimed at social equity and the redistribution of land rights on the one hand, and a neoliberal economic and marketing policy emphasising global integration, competition and efficiency, cannot simply be resolved by choosing to abandon the social and equity aims of agrarian policy. For one thing, rural poverty, food insecurity and hunger are not issues that South African policymakers concerned with agrarian issues can simply ignore. The South African government needs viable and sensible approaches to support the livelihoods of the two million households who rely on agricultural production. Failure to do so will simply result in deepening structural and chronic poverty, and on a rising tide of unemployed rural job seekers in the already oversaturated job markets of the cities and small towns.

More seriously, as Cherryl Walker has noted, land reform relates to more than poverty and hunger. While Land Reform *policy* in South Africa has tended to be narrowly focussed on technical discussions of livelihood sustainability and commercial viability, *public* debates about land in South Africa derive their political prominence and symbolic importance from the much broader context of the political transition, the legacy of colonialism, and still largely unresolved questions about race, equity and national identity (Walker 2005). In this context, the domination of South Africa’s commercial farming sector by a small group of white, large scale farmers and agribusinesses becomes symbolic of the larger political and economic problems posed by continued chronic and structural poverty and the limited success of the post-Apartheid government in linking growth to redistribution. The historical legacy of land dispossession thus carries a powerful political charge in broader debates about national identity, reconciliation, historical justice, and the legitimacy of South Africa’s negotiated settlement and constitution *as such*. The contested role of land reform in the political and economic crisis in Zimbabwe powerfully illustrates the destabilising and explosive potential of leaving such issues unresolved.

Beyond the contradictions?

The contradictions and problems that characterise South African agrarian policy cannot be easily resolved. At the same time, it seems that some of the difficulties created by the blind spots of existing policy can be resolved. An analysis sensitive to the dynamics of exclusion, inclusion and adverse incorporation can be useful here, as these may help question naïve or simplistic expectations about what can be achieved by ‘including’ connecting poor rural people with markets. In particular, policies can be much more sensitive to the differential impact of market integration, and should allow for a greater range of modalities and forms of connection (and non-connection) with commercial markets. The recommendations marshalled here, it should be said, are not a comprehensive discussion of all the policy changes needed; these are already discussed in detail elsewhere (PLAAS 2008). Attention is focussed here on matters that relate specifically to the terms of agro-food incorporation.

The first shift this implies is something of a no-brainer: in a context where millions of poor people depend on agriculture for food and social security, subsistence food production should be actively valued and supported. Agrarian policy should not be deformed by the narrow ideological commitment to commercial production is the only valid. In a sense, political and ideological conditions may be ripe for a shift in this direction. Recent developments in thinking about responses to poverty and chronic poverty have seen a re-emphasis and a revaluation in social protection. This may cast in a different light the disparaging comment, commonly made by proponents of an emphasis on commercialization, that land reform aimed at supporting subsistence agriculture is ‘merely welfare’: support for subsistence agriculture can be premised precisely on the value of this welfare function. Here, it is important to realise that social protection need not only refer to formal (public or private) systems; thinking on social protection should also take cognizance of the crucial role played by informal systems of social protection (Bracking & Sachikonye [date]; Du Toit & Neves 2009a). In the rural areas, smallholder agriculture is central to the networks and exchanges upon which informal social protection depends.

Secondly, models of commercial smallholder report need to be informed by a more realistic understanding of the potential and the limits of smallholder production. Support should not only be focussed on production inputs and technical training for on-farm production; it should also be informed by a much clearer appreciation of the importance of the downstream links by which small farmers are connected to markets, and the power relations these involve. Crucially, this suggests that much more attention can be paid to how those value chains themselves are structured.

This opens a complex, challenging and hitherto unexplored policy area for discussion, for it is clear that many of the difficult and problematic dynamics noted here cannot be addressed without asking searching questions about the design and functioning of these downstream commodity chains, and in particular about the role of South African supermarkets in the governance of these chains. This is a surprisingly underresearched issue, and very little serious policy research has been done on the implications of the massive domination of South African food retail by large corporate retail multiples (see Jacobs 2009). Furthermore, in striking contrast to industrialised societies, where consumer and political activism has placed supermarkets in the spotlights, the practices of South African supermarkets and the social impacts of these practices have gone virtually unchallenged. The result is that there is a large area of issues, from sourcing practices to quality standards, where both the South African public and the government are effectively policy ‘takers,’ allowing retail multiples to take issues that have a major impact on the livelihoods and food security of millions. The structure and governance of agro-food chains is essentially seen as the private business of supermarkets, who are often naively seen as the guardians of consumer interests and low prices. If agrarian reform is to stand any chance of connecting poor people with commercial markets in a beneficial way, these unexamined assumptions will need to be contested.

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