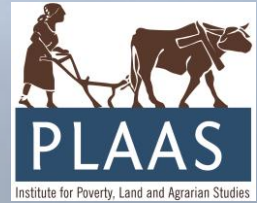


How Not to Connect the Poor to Markets

Adverse Incorporation and Agrarian Policy in South Africa



Andries du Toit
Institute for Poverty, Land and Agrarian Studies

Overview

- Adverse incorporation – a summary
- Land Reform and Agricultural Policy in South Africa
- PLAAS/CPRC research on the terms of inclusion / consequences of incorporation in three arenas
 - Jobless De-agrarianisation in Eastern Cape
 - Market integration of smallholders (Limpopo)
 - Labour markets in horticulture (Western Cape)
- Some implications for theory and policy

Adverse Incorporation – an overview

Adding nuance (and critical edge) to debate on Social Exclusion

- (1) Beyond simplistic contrast of ‘exclusion’ v ‘inclusion’
 - What matters = the TERMS of both inclusion and exclusion
 - Sometimes marginality can be an advantage!
- (2) Taking a more critical view of market integration
 - Incorporation can be on adverse terms
 - Can increase risk
 - Can involve exploitative power relations

Land Reform in South Africa

- Aims of Land Reform
 - Address skewed landownership
 - Restitution, restorative justice
 - Support livelihoods of poor
- Approach
 - Restitution, Tenure Reform, Redistribution
 - Support subsistence production
 - Put new /small farmers on map
 - Protect farm worker rights through legislation

Connecting Land Reform Beneficiaries to Markets

- Pro-poor market integration
 - Direct, indirect support and grants for poor
 - Liberalization, deregulation
 - Removing barriers, encouraging access to markets
- Little thoughts to downsides of incorporation
 - Market mechanism to achieve the aims of equity, social stability, racial redress
 - MAPA (1996) deregulates, abolishes racialised policy framework
 - Brings black smallholder farmers under one national agricultural market policy regime
 - Small farmers, new (black) entrants lumped with commercial farmers
 - Little coherent thought about disadvantages, challenges
 - Proposals for extension, market information and (later)joint ventures

Policy Contradiction

- The policy contradiction in Land Reform
 - Reform policy redistributive, pro poor
 - Agricultural policy assumes paths of market integration and models of farming inimical to these aims
- Three areas of policy failure
 - Policy vacuum on subsistence agriculture
 - ‘Missing middle’ wrt commercially oriented smallholders
 - Labour market regulation ignores implications of value chain restructuring
- Pro-poor aims of land reform progressively abandoned
 - SLAG (1995) → LRAD (2000) → LARP (2007)
 - Land Reform becomes narrow BEE
 - Tapela (2008, 2009) – Agricultural policy reduplicates Apartheid era land losses!

Implications

- Promising theoretical, conceptual issues
 - Central importance of value chain integration (vertical dimension)
 - Also look at local social relations (informal social protection, patron client relations)
- Policy Questions
 - Greater sensitivity to *differential* modes of agro-food integration
 - Revaluation of ‘Subsistence Agriculture’
 - Key role in informal social protection
 - More appropriate models of market integration
 - Engagement in governance of downstream value chains