

(Address to ISASA Rural Land Workshop)

THE EVOLUTION OF CAPITALIST AGRICULTURE IN SOUTH AFRICA

If one is invited to an event, it might seem brash and even ill-mannered to scrutinise the invitation card too closely, to hold it up to the light, and even to scribble an amended wording on it. Yet it is precisely this breach of behaviour that I am about to commit. In the letter outlining this workshop, IDASA described it as "focussing on key issues and options for rural land in post-apartheid South Africa" - and so it is. You will hear a good deal about such issues and options during these three days. But, looking at the range of topics, the wealth of expertise, put before us I think there is another way of defining what it is that we are gathered to discuss. My inked-over version of the invitation card would say that we are looking at the land question and the agrarian question.

What is "the land question"? Very simply, it concerns the ownership and control of land. Who owns land, and on what terms? What access to the land do non-owners have? What legal and political rights are attached to land ownership? Then there are a related set of questions (sometimes referred to as the agrarian question): these have to do with what system of production takes place on the land. What social relations exist in rural areas - more bluntly, who does the work, and for whom, and on what terms? Who makes a profit, and in what form?

These issues fundamentally affect the structure of any society. They have a great deal to do with patterns of power and privilege, authority and obedience. This is very, very obvious in the South African instance, in ways familiar to all of you. Here, land ownership is starkly and unevenly divided along racial lines. Wars of conquest and dispossession created the divide; segregation and apartheid cemented it into law. And upon this basic pattern of land-holding there rests the system of reserves, migrant labour, national oppression and the exploitation of a working class denied fundamental human rights.

These basic realities are well known to an audience like this: and so is a realisation that they cannot be permitted to endure; that they must be changed. So we might rephrase the definitions. The land question is: what changes are needed in the ownership and control of land? The agrarian question is: what system of production and which social relations do we want in a post-apartheid South Africa?

And now, regrettably, to the initial breach of good manners is added the crime of trespass. This session is billed as "The Evolution of Capitalist Agriculture" and is intended to provide some historical background. What can an historian have to say about the land question and the agrarian question?

Well: my comments fall in three parts: (i) a brief sketch of the history of capitalist agriculture in South Africa; (ii) an attempt to identify certain central characteristics of that process; and (iii) an argument that the historical process, and its distinctive features, are not merely of antiquarian interest but have a direct bearing upon policy options, upon possible outcomes. The history of capitalist agriculture helps shape the land

question and the agrarian question.

Historical overview

Farming is capitalist when land is held as private property; when the main economic motivation of the farmer is to make a profit; and when the farmer employs wage labour. This basic definition distinguishes capitalist agriculture from production based on slavery, from pre-capitalist or feudal forms, and from peasant farming. Defined thus, capitalist farming first emerged only in pockets of the southern African countryside in the nineteenth century. One can identify capitalist farmers in the western Cape wheat and wine lands in the 1830s and 1840s, and about a decade later among the wool producers of the eastern Cape. Sugar production in Natal, from the 1860s, was also established as a capitalist venture.

At the end of the nineteenth century, after the discoveries of diamonds and gold, the growth of inland cities meant a larger domestic market for foodstuffs. A number of white landholders now made a belated entry into commercial farming. Those who did so as capitalists - who expanded production on the basis of capitalist social relations - were involved in fierce struggles with a competing system - that of black peasant production for the market. Between about 1890 and 1914 white farmers enlisted state power - in the Cape, Natal, Free State and Transvaal - to inhibit or suppress peasant production. Such state intervention, says Denoon

played a decisive role. The colonists' victories in sugar, maize, wine, wool, beef, and fruit production were all political victories. Suppression of African rivals, the dispossession of African tenant farmers, the mobilisation of a labour force, extension services, credit facilities, and even the guarantee of markets were accomplished ... in response to the needs of white farmers.

After 1910, policy-making was centralised, and state intervention more far-reaching. (The first Union government was especially responsive both to mine-owners and to capitalist farmers, and has been dubbed "the marriage of gold and maize".) State intervention in the early years of Union had two central themes: the promotion of white farm production and the erosion of the position of black peasants, especially tenants. The Land Settlement Act of 1912 laid the basis for the former: it created the Land Bank and was the platform on which many later forms of financial aid were built. In 1913, of course, the Natives Land Act created the reserves, denied successful peasants the right to buy land elsewhere, and provided the legal machinery for dislodging black tenants.

I do not wish to suggest that legislation instantly altered the balance of forces in the countryside. On the contrary: landlords and tenants remained locked in bitter struggles for several decades; huge swathes of the platteland, nominally "white" farms, continued to be ploughed or grazed by hundreds of thousands of tenant families, a "squatter peasantry". The transition to full blown capitalist agriculture was a gradual, jolting, and protracted process. In the longer term, however, what the legis-

lation of 1912 and 1913 did was decisively to load the dice in favour of capitalist agriculture, and against peasant production and black accumulation.

In the 1920s, the forward march of capitalist agriculture was very much an affair of One Step Forward, Two Steps Back. A recent study estimates that of some 95 000 "white" farm units in that decade, only ten per cent of them were successful and profitable capitalist enterprises. The great majority of white farmers remained under-capitalised, unprofitable, technologically backward, burdened with debt - and, from the mid 1920s, hit by falling terms of trade and sagging prices for their crops. Equally, on the bulk of these farms, the prevailing social relationships were not fully capitalist. Instead, these were the farmers who continued to rely on a whole range of non-capitalist practices to secure a labour force. They entered into share-cropping arrangements and labour tenancies; to retain their workforce they used the pass laws, vagrancy laws, masters and servant laws and so on: they relied on the state, not the market, to secure a labour force that was not yet fully proletarianised.

The international depression of the 1930s squeezed farmers even more tightly - and in response, the state massively expanded its repertoire of financial aid for farmers. In 1934, South Africa left the gold standard; the price of gold soared - and so did government revenue. Mining profits could be used to protect manufacturing industry and to subsidise capitalist agriculture. Two main techniques were developed assist farmers. The first was the network of Marketing Boards, guaranteed prices, and export incentives. The second - both before and more obviously after 1948 - was to control labour mobility in favour of farmers: influx controls, contracts binding entire families to service, prison labour, and labour bureaux are some of the familiar devices of the 1930s, 1940s and 1950s.

Since World War II there have been important changes, both in terms of state policy and in terms of the restructuring of capitalist farming. To outline these shifts, I am going to borrow (and adapt) the study by Tessa Marcus. She suggests that four primary and interrelated processes have been at work in intensifying and restructuring capitalist agriculture since 1945. These are:

- * **concentration of land:** there has been a steady decrease in the number of farm units and a concomitant growth in farm size. SEE OVERHEAD
- * **concentration of capital:** investment in agriculture has been concentrated and centralised; capital accumulated in other sectors has also sought profits in farming - the rise of "agri-business". Consequently, capitalist agriculture is dominated today by a minority of large producers: of about 58 000 farms, some 18 000 (about one third of the total) produce 75% of agricultural output and control 80% of resources.
- * **mechanisation and technological innovation:** Mechanisation (the replacement of animal and human power by machine power) has expanded enormously - tractors, combine harvesters, milking machines, etc. The application of biological and chemical technology has been the other major development.

These have combined to bring about greater yields in all branches of agriculture. One of the most important results of mechanisation/innovation has been to make farming more capital-intensive and less labour-intensive: in other words, to push farm-workers into unemployment. Since 1970, the numbers of farm-labourers has fallen both relatively and absolutely.

* **promotion and subsidisation of these by the state:** it will be clear that these three processes interlock and reinforce one another; and in addition, they have been accelerated by policy. The strategies pursued by the state to capitalise agriculture have altered since 1945. Marcus identifies three phases:

1948-early 1960s: the main thrust of intervention was the expansion and intensification of controls over labour and increased pressures against cash tenants and labour tenants.

early 60s to mid/late 70s: the dual concerns in these years were to raise productivity and to reduce farmers' dependence on black labour. This was the heyday of state enthusiasm for mechanisation and consequently for the eviction of tenants and "surplus" labour from white farms. (The largest single category of forced removals.) Also had the unintended consequence of over-extending farmer's capital commitment, and increasing their debt burden.

mid/late 70s - present: throughout this period the state has reeled under political resistance and deep economic crisis. It has been trying to reduce its expenditure on subsidisation of farmers; trying to share the costs with private capital; and trying to slow down the replacement of workers by machines.

Glancing back over this history, what particular characteristics can we identify? In the evolution of capitalist agriculture in South Africa are there aspects so central to the process that they not only explain the present, but also constrain the future? I believe that there are, and try to identify four of them.

Firstly, throughout its evolution, capitalist agriculture in South Africa been the arena of the most backward and brutal social relations, the most reactionary and repressive set of employment practices. Until the 1980s, white farmers were the largest single employer of black labour in South Africa. This huge labour force was also the worst paid. From 1910 to 1970 - while South Africa underwent an industrial revolution - real wages on farms remained constant or fell. Historically, farm workers have been less educated, less mobile, less organised, less able to improve their lot than any other sector of workers. Historically, this vulnerability has translated into innumerable abuses and appalling privations. It is a saga of life-sapping labour by men, women and children; of routinely-inflicted savagery upon stunted bodies and sanctioned by law; and of poverty and hunger on farmlands producing food for export.

(One should also ask why social relations on capitalist farms have been so regressive - and look for reasons that go beyond describing farmers as racist. South Africa is not abundantly equipped in terms of climate and soil types as a farming country. Only 12% of the land surface is arable. Its agricultural products have for a century been uncompetitive internationally. Locked as

it is into the world economy, South African agriculture, historically, has tried to compensate for these disadvantages by heightening the exploitation of its work-force.)

The implications of this for an agricultural policy in post-apartheid South Africa are pretty direct. Will it be politically possible to retain social relations like these in a differently constituted state? Will it be possible to reform these relations, within a framework of capitalist agriculture, or will they have to be fundamentally transformed? To what extent will any alternative agricultural system be regulated by the same natural and international disadvantages?

Secondly, it is evident that throughout its evolution, capitalist agriculture has been heavily dependent upon the state. Its labour, its credit, its markets have all been regulated by state intervention on a lavish scale. (Note in passing that one of the claims regularly made on behalf of capitalist agriculture is its greater efficiency: but how heavily, in the South African case, does efficiency rest upon coerced labour and state aid?) It seems a safe extrapolation from this that any future South African state will for the foreseeable future continue direct resources to rural areas on a large scale. If large-scale capitalist farms continue to provide the bulk of foodstuffs, the state cannot withdraw all subsidies. Alternatively, if the post apartheid state were to try to reconstruct agriculture on some other basis, this would arguably require even greater resources.

Thirdly, the evolution of capitalist farming in South Africa was an uneven and prolonged process - and this meant that non-capitalist social relations persisted remarkably late. In particular, a class of tenant peasants survived in large numbers until the 1960s. Many poorer white farmers relied on their tenants for rent and for labour; tenant families, for their part, clung tenaciously to their rural identity. One of the implications of this for policy formulation is that an extremely strong popular preference for a "peasant option" remains alive. (By peasant option I mean redistribution of land as small-scale family plots, either as private property or on the basis of tenancies.) How intact are the skills and resources that such an option presupposes? And how far could a peasant option be permitted to encroach upon the capitalist sector, if one argues that the latter is needed for food production? (For the peasant option to succeed in feeding an industrial workforce would be an historical novelty.)

Fourthly, the historical outline indicated that it is unwise for any period to lump together all white farmers or capitalist farmers. The spread of capitalist relations in the platteland has been a highly uneven affair all along. More especially, in the last forty to fifty years, this unevenness has taken on highly structured features. On the one hand, there has been a drive towards a more capital-intensive agriculture, which has seen economic control increasingly vested in the hands of relatively few farmers. On the other hand, there has been an accompanying and increasing tendency of state agricultural policy to support and reinforce the interests of large farmers and corporate agri-business.

This means - and obviously I am simplifying the issue and overstating the case - this means that any analysis of agriculture as

it operates today and as it may operate tomorrow must focus essentially on the large producers. How the land question and the agrarian question, with which we began, will be answered in post-apartheid South Africa is really a question of future policy towards the largest capitalist farmers.

Can rural social relations be significantly altered, and can the enormous hunger for land redistribution be addressed, if the core element in capitalist agriculture is left intact? Alternatively, can the national food supply - the ability of the farms to feed the cities - be preserved if that core element is dismantled?

What outcomes are possible, are historically imaginable? Very schematically, it might be proposed that there are effectively four main possibilities:

The retention of large-scale capitalist farms: The benefits of this are that it protects food production and continues to earn foreign exchange from exports. The costs are that it promises to perpetuate the existing pattern of ownership and existing social relations on the land - and could easily involve a post-apartheid state in having to defend these against land-hungry peasants and rural poor.

The peasant option: Redistribution of a large amount of land on the basis of small-scale family plots (either as private property or as tenancies). The benefits are that this would resettle large numbers of land-hungry and landless people; in some circumstances (as has happened in Zimbabwe) peasant production could expand dramatically - but this presupposes a peasantry with skills and resources intact. Costs: loss of economies of scale; the threat to the urban food supply.

Large-scale socialised production: Retaining the large units, but running them not as private enterprises but as collective enterprises - state farms, cooperatives under worker control, Employee Share Ownership Schemes. Benefits: this would protect the economies of scale; would empower rural people politically. Costs: this would risk the problems that have beset state-owned collective agriculture elsewhere - perhaps the clearest lesson is that collective structures must have popular support; they cannot be imposed from above; it would also be resisted by capital nationally and internationally.

Combination of aspects of (1), (2) and (3): for example, Zimbabwe has pursued a policy based on the retention of the core capitalist sector, but which also hoped to resettle peasant families: the original target was 162,000 families in three years; the first decade of independence has in fact seen only forty thousand families resettled. Mozambique has swung away from (2) towards (3).

What I have tried to do today is suggest some of the ways in which the distinctive history of capitalist farming in South Africa will impact upon projected answers to the land question. But, remember: the actual answer to the land question is not just a policy preference. It will take shape in the course of struggle. What people want, how they are organised to express their wants, what kind of opposition is forthcoming from the state and other classes - these will determine the answers to the land question,