



Hunger in the Valley of Fruitfulness

globalization, “social exclusion” and chronic poverty in Ceres, South Africa

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ABSTRACT

The paper explores the findings of a household livelihood survey among poor households in the Western Cape district of Ceres, one of the centres of the South African deciduous fruit export industry. It considers the usefulness of the concept of “social exclusion” for understanding chronic poverty in the context of relative surrounding wealth. It argues that households’ livelihood options can only be understood in the context of the broader dynamics of globalized agro-food restructuring and the modernisation of paternalist farming styles in the context of political transition. Key components of chronic poverty in Ceres are asset depletion, the stresses of seasonality and the often disregarded and invisible “dark sides” of social and human capital: criminality, violence, and the exploitative relationships of the “underground economy”. It argues that “social exclusion,” though focussing welcome attention on the disabling effects of poverty, fails for the most part as a way of making policy sense out of the dynamics that keep poor people poor. It agrees with proposals that these are better captured by the notion of adverse incorporation. The paper argues that there is a need to go beyond modernising and trickle-down approaches to development in Southern Africa, and makes recommendations of some of the key requirements that need to be met if policy is to be able to deal with the problems of chronic poverty.

Keywords: Chronic Poverty; Social Exclusion; Globalization; Western Cape; Social Capital

Words: 22 000

1 Introduction*

1.1 “Left behind” in Bella Vista Zone 3

Katriena Sym** considers herself lucky. She has a roof over her head, a husband who has found work on a farm near by, and a lodger who contributes to the household expenses. “*Ceres is baie hard, en ek praat nou van hard*” she says, pronouncing her consonants with flinty Karoo precision, “*maar ek dink ons sal darem regkom.*”¹ She surveys the inside of her house. There is a plastic milk-crate which does duty as a chair; there is a primus stove and a few pots; there are two sour and ragged foam mattresses; and there is a ramshackle cupboard containing half a kilo of flour, some salt, sugar and cooking oil, and one tin of cheap mackerel. Beyond that, there is literally not a stick of furniture. The little space is bare and empty, cold winter and hot in summer: most days Katriena prefers to sit outside in the shade or (in winter) at a fire built from scavenged wood or even discarded plastic soft drink bottles.

She has plenty of time to sit around these days. Her eyes have deteriorated much in recent years (“*my gesientes is nou nie wat dit was nie*”²) and she is medically unfit for the hard and exacting work of picking fruit and pruning trees she has done for most of her 39 years. She originally hails from Willesden in the Karoo, but she has spent a significant part of her adult life away from home, traveling with teams of seasonal workers to Ceres, Citrusdal and other towns in the Western Cape’s horticultural districts. It was a hard and expensive life, being an *uitwerker*, and she has decided to settle in Ceres. So far, she thinks it was a good decision. Her common-law husband, Isak, has found work at a neighbouring farm, and they now have a lodger who has also promised to contribute to household expenses.

But in spite of having made this move, her conditions still seem grim. Indeed, there is an unsettling vagueness about Katriena’s hopes that things will improve. The reality is that her husband’s job has not brought in much money. In theory he should be paid between R150- and R200 per week, but she sees almost none of it. Lack of cash means that they have to “borrow” food supplied by the farm shop operated by Isak’s employer. The supermarket in town is significantly cheaper - but the supermarket does not extend credit. Every week, Isak’s payslip shows that most of the money he has earned has already been eaten up. On a good week, he will bring home R50; sometimes he brings home nothing at all. When he does bring money home, Katriena spends a significant part of it on their accumulated water debt, but she does not know how much she owes. In practice, she often has to rely for food on contributions from Isak’s mother, or from “*die kind se pa se ma*”³ - the mother of the man (not Isak) by whom she has had her five year-old child. They will often lend her a cup of flour or a bit of meat; if all else fails, at least the child is able to sit down with his grandmother at table. Katriena goes hungry.

One woman: one household. The details of Katriena’s life and circumstances are specific to her. Each household in Vyeboomstreet and in all the other bleached, bare roads of Bella Vista Zone 3 will have a different story to tell. But the themes and the relationships will be similar. For Katriena and others like her, living and working in the fertile valleys of the

¹ “Ceres is hard, and I mean hard, but I think we will survive”

² Roughly, “my eyesight is not what it was.” The word *gesientes* does not admit of translation.

³ “The child’s father’s mother.”

Western Cape has not brought respite from poverty. Survival is possible, and people are resourceful, but hunger, debt, insecurity and dependence have characterised their lives for as long as they have known, and unless the underlying conditions that perpetuate this poverty disappear, it is unlikely that this will change.

And there is very little they can do about it. Katriena and her neighbours survive at the margins of rural Western Cape society. It is an odd kind of marginality: without her and other men and women like her who carry tons of Bon Chretien apples and Granny Smith pears out of the orchards every summer - sometimes at less than R30 (GBP 2) per day - there would be no fruit industry. But this economic centrality is accompanied by social and political invisibility. From the point of view of those who hold power in Ceres, Katriena hardly exists except as a potential source of labour. Politically, the poor in Ceres are not a force to be reckoned with. Instead, they are recipients of concern, objects of development, members of what is patronisingly referred to as the *agtergeblewene gemeenskap*⁴. Economically and socially survival depends on the largesse of those who are wealthier and more powerful. Perhaps it is this brutal fact that is behind Katriena's striking gentleness of manner - the way in which, from some perspectives, she hardly seems to walk the earth. Her very existence is a tentative one, dependent on a tiny net of fragile relationships. It is a position in which it is possible to dream, hope and plan. But the plans are small.

1.2 Chronic poverty on a farmed landscape

This paper presents key findings from a livelihoods survey of households in four poor neighbourhoods in the Western Cape district of Ceres, one of the centres of South Africa's deciduous fruit export industry (see Figure 1). It explores the nature and dynamics of the persistence of poverty in the context of continued and relatively sustained economic development and growth, and considers whether the concept of "social exclusion" can help in making sense – especially policy sense – of these dynamics.

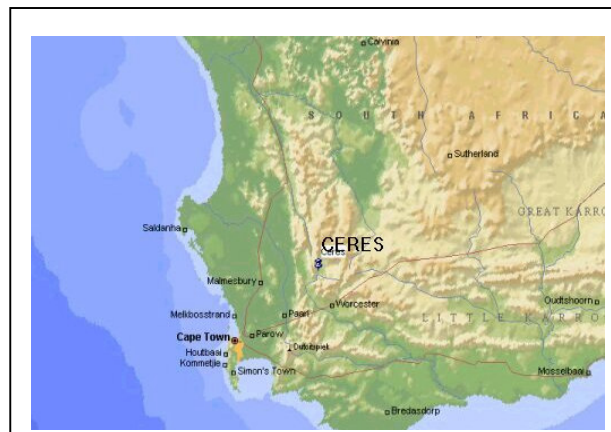


Figure 1: Ceres in the context of the Western Cape

As will be seen, the conclusions are mixed. Focussing on "social exclusion" – correctly understood – certainly helps draw attention to power relations, powerlessness, and the processes that perpetuate these. Coming up with workable policy responses to social exclusion requires us, however, to develop a much more nuanced analysis of the social processes involved in what is perhaps more productively thought of not as *exclusion* but as *adverse incorporation*.

The paper begins with a short description of Ceres as a centre of Western Cape horticulture and a brief introduction to the key theoretical issues at stake. It provides a schematic overview of social relations and inequality in Western Cape agriculture, summarises some of

⁴ "Those who have been left behind" (literally, 'the left -behind community').

the key policy responses developed to address poverty and inequality after the transition to democratic rule in 1994 and sketches some of the most important trends in the sector. This provides the background for a discussion of key aspects of livelihood activities and problems among households in the neighbourhoods surveyed. This discussion draws not only on quantitative surveys and semi-structured interviews with selected households in the survey sample, but also on analyses and insights that flow out of medium and long-term qualitative research and fieldwork on various aspects of deciduous fruit production and social power relations in the area. This sets the scene for a more detailed consideration of some of the underlying theoretical issues at stake, and a short discussion of some of some important policy issues.

2 Livelihoods at the margin

2.1 Ceres: poverty in a fertile valley

The town of Ceres, situated some 160 km NE of Cape Town, may look like an unlikely site for the study of the dynamics of long-term poverty. To the visitor cresting the top of Mitchell's pass, it looks just like how it is described by the advertising copy on the boxes of Ceres Fruit Juice that is the town's most prominent branded export: a fertile valley nestling among the mountains, protected from the South-east wind and drenched by the sun. Throughout the summer, a long procession of diesel trucks labour up and down that pass, plying the route between the surrounding valleys and Cape Town harbour. The mountainside is rugged, bare and stony but for most of the year the dams are full and the valley floors of the Warm- and Kouebokkeveld bear the evidence of the orderly activities of industrialised agriculture: onion and wheat fields, stud and sheep farms - and, above all, neat and serried ranks of closely planted orchards: apples, pears, nectarines, peaches and plums. With the general dealers, furniture stores, filling stations, B&Bs and fast-food chains lined up along its main road, Ceres and the nearby villages of Prince Alfred's Hamlet and Op die Berg present a landscape typical of any one of a number of small to medium-sized Western Cape country towns. Certainly, when compared to impoverished areas - the eroded and populated hillsides of the Eastern Cape, or the arid plains of Namaqualand to the North, for example - Ceres and its surrounding valleys seem part of a landscape where abundant natural resources and successful commercial activity would at least have the chance of ensuring decent livelihoods for those who work and live there.

It has not always been so. The history of Ceres has in many ways been a story of roads, routes and remotenes since long before deciduous fruit became a major industry. Settled in the 18th century, it was a relative backwater until South Africa's mineral revolution in 1870s, when its location on the "great road" to the Northeast that connected the Cape with the diamond mines of Kimberley brought it some prominence as a way station (Smuts and Alberts 1988). Diamonds were eventually eclipsed by gold, and the N1 and N7 have overtaken the path through the Karoopoort as the routes to the North, but increasing integration into national networks and markets opened the path for the development of fruit farming in the region. While the wine farming areas in the surrounding Breede River region stagnated, mostly due to anti-Apartheid sanctions, Ceres steadily grew. Mixed farming (fruit, wheat, vegetables and livestock) increasingly gave way to specialization, and by the 1990s, Ceres was a major centre of intensive deciduous fruit production for export. The high valleys of the Kouebokkeveld were given over mostly to apple production, with stone fruit and pears predominating in the lower-lying Warmbokkeveld. By 1998, with more than

11 000 ha of land planted to deciduous fruit, Ceres was producing almost 60% of South Africa's entire pear crop, and had a gross geographic product of R265 million. But most of the 20 000 or so people who worked on these farms did not see any of this wealth. Fully half of the households in Ceres surveyed in the 1996 Census earned less than R18000 per annum (GBP 1400), and in a third of rural enumerator areas, incomes were below R1000 (GBP 76) per month.⁵ For those who worked in the orchards, the realities of life were those experienced by Katriena Sym in the example above: a life on the edges of survival.

2.2 Social Exclusion and Inequality in South Africa

Discussions about the persistence of poverty and chronic poverty in contexts otherwise characterised by high degrees of development and wealth have in recent decades been increasingly dominated by the concept of 'social exclusion'; in fact, in some contexts, such as in the EU, it has all but replaced 'poverty' as an object of policy concern (Evans 1998).

In spite of the concept's origins in the context of wealthy European welfare states in the 1970s and its history of very close links to specifically EU policy concerns (Evans 1998, Percy-Smith 2000) the concept has broadened considerably in scope and meaning, and since the late 1990s there has been interest in seeing whether it can be used to understand poverty and chronic poverty in 'Southern' contexts (De Haan and Maxwell 1998). One of the key problems here is the vagueness of the concept itself, because for all its prominence its theoretical content is rarely tightly and rigidly specified. This may be part of its appeal - as Evans suggests, it is perhaps it is partly *because* of this vagueness that 'social exclusion' has become so attractive as a concept (Evans 1998:46). Certainly, it has been used by researchers and policymakers from very diverse theoretical backgrounds, and has been given very divergent meanings within different political and intellectual traditions. To some extent the answer depends, therefore, on the content one gives the term.

Even so, the attempt to use the concept outside its original scope of application does raise - even in principle - some initial difficulties. For one thing, there are very important differences between the European societies and those in the South, not least being that poverty in context like sub-Saharan Africa may be viewed as the situation of the mass of the population rather than a fate suffered by a minority excluded from the benefits of participation of society at large (Gore 1994). Gore has nonetheless argued that a complex politics of exclusion and inclusion has formed an important part of the histories of African societies and has accordingly included these dynamics in his survey of social exclusion in Africa.

The question, however, is whether 'social exclusion' can be linked to the roots of *chronic poverty* in Africa - in other words, whether it has application beyond the limits of a concern with the exclusion of or discrimination against particular 'subordinate groups,' and whether it has anything to teach us about poverty as such. Some theorists certainly seem to believe so: they have been attracted to the concept because it has seemed to be available for interpretations that link it closely with other increasingly dominant paradigms such as the sustainable livelihoods framework (DFID 2000) and Sen's work on capabilities and entitlements. What these approaches have in common is an interest in broadening the understanding of poverty beyond a narrow monetary focus on income and expenditure.

⁵ Assuming a rough exchange rate of about R13 per pound.

Understood in this way, analyses of “social exclusion” can potentially highlight the multi-dimensional nature of the implications of poverty, and highlight the longer-term social and institutional processes that shape it (De Haan 1998). Taking their cue from De Haan, Hulme, Moore and Shepherd have therefore proposed that the concept may be useful in the general study of chronic poverty:

“as de Haan (1999) discusses, the concept has been... usefully extended to encompass the multi-dimensional, relational aspects of deprivation and poverty – i.e. people are excluded not only from publicly provided services but from a broad range of social, political and economic institutions, and as a result experience lack of capabilities and entitlements. Social exclusion may therefore be a useful starting point from which to understand the politics surrounding chronic poverty, perhaps especially where chronic poverty is based on the discrimination of a particular social group or ‘underclass’ (Hulme Moore and Shepherd 2001:27)

Although the concept of “social exclusion” has little direct resonance in South Africa (the concept does not really figure explicitly in policy debates on poverty at all) there is certainly food for thought in this broad definition of what “social exclusion” is about. Consider, for instance, the idea that the existence and possible growth of such an underclass - a significant group of marginalised, relatively unskilled and poorly paid workers making an uncertain living out of seasonal labour in the agricultural economy - is far from unique to the deciduous fruit farming sector. Recent scholarship (May 2000, Natrass and Seekings 2001) suggest that poverty in South Africa is particularly concentrated in two large groups – the marginal working class and an “other” class made of the dispossessed jobless – that are unable to participate fully in the formal economy. While the wealthiest 12% of households control 45% of the total household income in South Africa, these two impoverished groups, which together comprise some 41% of South African society, only manage to secure 10% of its total income (see Table 1). Furthermore, while South Africa is similar to the most unequal societies in the world in its income distribution, there is one important difference: unlike countries like Brazil and Chile, the poor in South Africa are not involved in subsistence agriculture. This means that the poorest of the poor are worse off in terms of their share of total income than in Latin American countries (Natrass and Seekings 2001:476).

	Mean Household Income R/month 1993	Households in each class as a % of all households	Income in each class as a % of total income
Upper Class	7 020	12	45
Semi-professional class	3 264	5	8
Intermediate Class	2 257	19	22
Core Working class	1 187	19	11
Petty Traders	1 442	5	4
Marginal Working Class	618	12	4
Other	413	29	6
Total		100	100

Table 1: South Africa’s class structure and income inequality (from Natrass and Seekings 2001)

The existence of these large, marginalised, and impoverished groupings in South African society – and the profound division between them and the much wealthier groupings of urban and formally employed “insiders” - raises important and complex policy issues. Natrass and Seekings argue that while fiscal policy in South Africa has been relatively redistributive, its effects may have been undermined by the adoption of a growth path that militates against the

creation of jobs in the labour-intensive sectors of the economy. South African industry has, they argue, been caught between simultaneous processes of industry *deregulation* and increasingly high levels of labour market *re-regulation*. Globalization has increased opportunities in some quarters, but it has also led to increasing competition - while at the same time labour market regulation has become more rigid. Rather than allow for more flexibility, minimum wage levels in many industries are set by centralised bargaining councils. In the context of an economy where the demand curve for labour is relatively price-sensitive, they argue that this has created an incentive for industries to move away from labour absorptive strategies towards capital intensity. These policies benefit an increasingly small and beleaguered core working class at the same time as they deepen the divisions that exclude those thrown out onto the margins by employers' changing strategies in the job market.

By emphasising the conflict of interests between the interests of, on the one hand, the core working class and the semi-professional classes and, on the other hand, those at the margins of the economy Natrass and Seekings also claim to explain why democracy has not led to a more egalitarian distribution of income in South African society. The governing African National Congress has its power base in the urban areas. It is particularly sensitive to the concerns, not of the vast underclass of politically demobilised and marginal rural poor and the landless unemployed, but to the needs of the urbanised working class and petty civil servants. These have a disproportionately strong voice in the shaping of government policy. Ironically, then, democracy has politically empowered not the poorest of the poor, but the almost poor, the all-but-poor, and the not-so-poor. The marginalised working class and landless unemployed, they suggest, are poor not only because of their relative exclusion from the formal economy, but also by virtue of their *political marginality* within the South African democratic system. The answer to a more egalitarian income distribution lies, they argue, not in the further entrenchment of labour rights and the protection of workers, but in the adoption of policies that will encourage the creation of jobs from which the economically excluded can benefit.

Natrass and Seekings do not quite go so far as to argue that low wages are good for the poor - low-waged new jobs, Natrass points out elsewhere (Natrass 1996), may well drag down the incomes of those who already have jobs - but their argument certainly raises important questions about the policies that are necessary to address the needs of the long-term poor. If the interests and needs of the marginal working class and those of the landless unemployed are indeed distinctive, what policies and interventions are required in order to address those needs? If the situation of the poorest sections of South African society is defined by their marginality within this society, their inability to participate fully in the labour market and society as a whole, what can be done to address this situation? If "social exclusion" is indeed the best way of thinking about this problem, does that mean "inclusion" is the cure? And how is such "inclusion" to be effected?

Answering these questions will, inter alia, require a look at the *conceptual logic* of the notion of social exclusion itself. It will be necessary to make explicit some of its core assumptions and meanings, and the broader political and policy narratives of which it forms a part. This paper will however not remain strictly at the abstract level. Rather, it will also explore some of the empirical complexity of chronic poverty in Ceres and consider the implications for the concept of social exclusion as a way of making policy sense out of these facts.

2.3 Understanding livelihoods at the margin

The analysis of the dynamics of poverty is increasingly being dominated by the concepts of “livelihoods analysis”. Murray has commended this framework for its focus on understanding the changing combinations of modes of livelihood in a dynamic and historical context, its advocacy of multi-level and multi-sectoral analysis and its focus on intra and extra-household social relations (Murray 2001).

However, he has also observed that the model should be supplemented by an adequate understanding of the broader processes within which particular household livelihood profiles and choices have their existence. This includes the need properly to understand intra and inter-household conflicts and struggles, as well as inequalities of power and conflicts and interest between communities of poor and others, such as local elites or government agencies (Murray 2001).

Two caveats are accordingly particularly important. In the first place, it is important to guard against any assumption that the measurement of poverty or the assessment of livelihoods can somehow proceed through a sort of simple *cumulative enumeration* of assets in the “asset pentagon”. As Murray remarks, even “economic” capital is best conceived of as a *social relation* between people. The same is true of social, human, physical and natural capitals: they only are what they are because of the broader relationships, practices, institutional frameworks and discursive formations within which they are caught up. What may count as “social capital” or “human capital” in one context cannot necessarily be so counted in another. For this reason even the most simple enumeration of basic household assets needs to go beyond simple quantification, and has to involve a detailed *qualitative* and *relational* understanding of social processes.

This means that research should go beyond a vague and general approach to the understanding of the issues that are indicated by the rather vague reference to “transforming structures and processes” in DFID’s diagrammatic representation of the livelihoods framework (see figure 2). Forms of analysis and theoretical accounts are needed that can mediate between different arenas and levels of social process – that can link, for example, household-level micro-analyses with accounts of global, national, regional and subregional processes.

How this is done varies from context to context. In the study of a poverty in a place such as Ceres, where industrialised agriculture and export food production play such a central role, the work of linking the

micro-analysis of livelihoods to an understanding of broader global-local processes has to proceed, as it were, along two axes simultaneously, the “horizontal” and the “vertical” (see Figure 3).

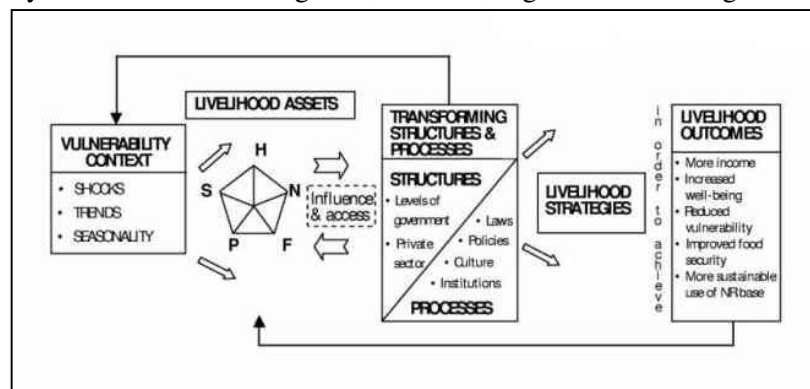


Figure 2: DFID' s livelihoods diagram (DFID 2000)

(1) We may imagine the ‘vertical’ axis to involve the way in which local livelihoods are affected by the restructuring of the value chains, commodity chains and agro-food systems (e.g. Kaplinsky 2000, Raikes and Gibbon 2000, Gibbon 2001) that link households to the often geographically removed places. To vary the metaphor slightly, one needs to look both ‘downstream’ (at the ways in which products are processed, shipped, marketed and consumed), and ‘upstream’ (at the relationships that are involved on the input side of agricultural production). One requires some grasp, in other words, of the economics and the politics of agro-commodity export chains and how they affect the details of labour processes and production .

Key trends in this ‘vertical’ axis that directly affect agro -food livelihoods in the Ceres region, for instance, are:

- The consolidation of retail power in the deciduous fruit industry’s target markets;
- The deregulation and restructuring of the South African marketing and export infrastructure;
- The increasing regulation of commodity chains through semi-public and private quality regimes;
- The growing importance of information technology (particularly in facilitating control and monitoring in the value chain);
- The increasing centrality of ‘intangibles’ (brands, patents, intellectual property) in shaping relations of power;
- Concentration and consolidation in the packing industry after deregulation and changing local grower-packer/exporter relations.

(2) But analyses have to go beyond simplistic, reductionist, unidirectional and determinist accounts of globalization (Goodman and Watts 1994, Jarosz 1996). What happens to farm worker livelihoods in Ceres is not simply the direct result of a process of globalization that can be described in some *a priori* way. How globalization ‘plays’ in any particular situation is always locally and regionally mediated. The livelihood options of farm worker households are affected, not only by what happens in London or Brussels, but also by the realities of local and regional politics, culture and practice. As important as the ‘vertical’ analysis of the commodity chain is the ‘horizontal’ analysis of the way livelihoods are situated or embedded in a complex local social and political context. Some of these ‘localizing’ phenomena that are relevant in the case of Ceres are:

- The social and cultural legacy of slave society, colonial settlement, segregation, white domination and Apartheid;
- The dominant gender and racial identities (and racialised and gendered practices and institutions) within this context;
- The political dynamics of democratization, political transition, and the provision for universal human rights;
- The changing policy and regulatory environment, including changing labour legislation;
- The transformation, restructuring and democratisation of local government.

This is a rough and approximate scheme, and not all the phenomena that affect livelihoods and poverty dynamics can be neatly categorized. The dynamics of the formal, commercial food system, for instance, are in some ways solidly part of ‘vertical’ commodity systems of their own, while at the same time also being thoroughly enmeshed in the ‘horizontal’

dynamics of local development and social process. Discursive and ideological factors such as race, class, gender and cultural identity, in addition, make their influence felt as much along the vertical, agro-food chain axis as in the context of local, regional and national politics.

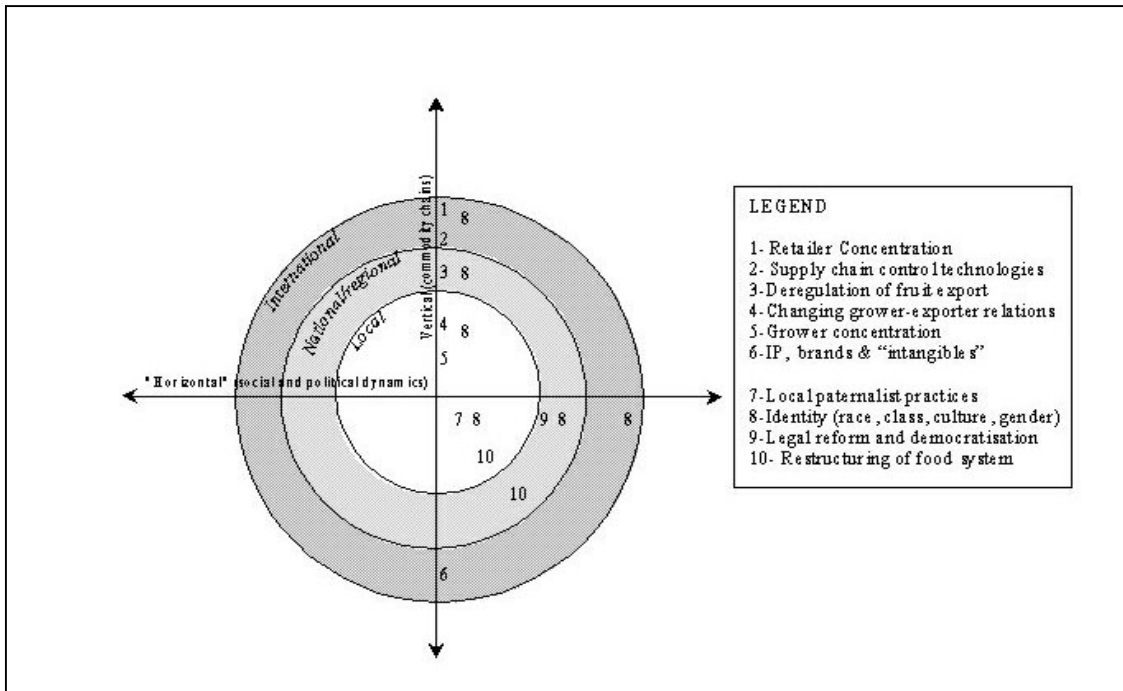


Figure 3: "Vertical" and "Horizontal" processes of mediation in agro-food related livelihoods

3 Change in Ceres

3.1 White power in an African valley

Perhaps the best place to start, then, is with the recognition that chronic poverty in Ceres is shaped above all by the nature of the social relations that exist between those who own the land – a small, wealthy, coherent white local landed elite – and those who have to work it to stay alive. The story of these relationships is the story of slavery. Slavery shaped society at the Cape in profound ways, and left its mark on farm owners as well as workers (Ross 1986, Watson 1990, Crais 1992, Trapido 1994, Rayner 1986). Among other things, its centrality to Cape society in the 18th century helped create in a rural landowning class whose sense of itself, and whose relationship to the African countryside of the Cape was profoundly influenced by a discourse of *mastery* that linked white identity closely with the right to own the land, and assumed that ownership of land conferred on the owner the right to govern the lives all those who worked it. This discourse entrenched and regulated the power of a white land-owning group bound together by ties of family, political affiliation and culture.

The way in which this elite acted to secure its interests and entrench its power is complex and can only be sketched in broad strokes here. Local government and membership of the most

important white political parties has clearly been central over the years, but a more subtle and in some ways more important role has been the control of local agro-food institutions, the boards of local credit institutions and banks, and the ability to use informal networks and family connections effectively. In Ceres, these have worked to create a local landed elite with a subtle but clearly marked internal hierarchy dominated by the wealthy “old money” of the descendants of the very first white settlers. This local elite made effective use of the opportunities and institutions created by Apartheid and its associated agricultural policies, and in particular the institutional apparatus of regulated agriculture. In the 1960s and 1970s control over Ceres Fruit Growers, at its heyday the largest single fruit packing operation in the Southern hemisphere, was a major source of their power within the landowning class, as was their ability to influence local land and credit markets (see Box 1)⁶.

“The whole economy of that community was very much controlled by a central group of people based in the farming community... It was based in certain families. And there was a passing down of power to the next generation. So it would be the Cilliers family. It would be Van Wyks of Lakenvlei. It would be Malherbes. The Conradies of Kromfontein. This is now the older generation. It would be the Goosens, in the Hamlet. In the Kouebokkeveld it would be the van der Merwes.... Not the Van der Merwes of Boplaas; the power went to the second son, who was at Bronaar. They would use... “lieutenants” to do the groundwork, to gather the information, to lobby with the people who might be a little bit dissident. They had people operating at the Boerevereniging [tr. Farmers' Union], at parties, at the golf club, at the church... They would have lieutenants like M*** L***. Who is not extremely intelligent, who wants to be part of the *binnekring* [tr. inner circle], and who does the dirty work for them. He would try to fish out what you are busy with and so forth.

It was a political grouping, it was definitely a Broederbond grouping and they really called the shots in terms of the appointment of officials and key people – whether it was in the co-operative, at the school, the principal, whether it was *Ouderlinge* [tr Elders] in the church, whether it was directors on the board of the Co-op.... No matter if they had good Afrikaner credentials, if [their] political credentials were wrong, they were sidelined. If someone was, for example United Party he would be very subtly disempowered though keeping him out of any position of power even though he was a highly capable man. So he would stand for the board of directors of the Co-op but he would have people phoning him at night and telling him to stand back. Otherwise there might be some repercussion on the [packing of] your fruit down the line. The officials who actually decided on the grading of the product in the Co-op have been appointed by so-and-so, so his fruit always gets graded higher, they always get better pack-outs, they always get better payments.

Out of these families you would have them on the [board of the] Land Bank. Out of these families you would have the assessors who come evaluate your property. They would be on directorships of commercial banks like Volkskas. They would also sit on the directorships of the Porterville Ko-operasie. So they would have insight into everybody's bank accounts, debts etc etc. ... So they made sure the right people got the Land Bank loans. And that's how this lot built their wealth. That and *bandiet* [tr.convict] labour.

Box 1: A Ceres farmer' s wife' perspective on power politics among white farmers

Slavery at the Cape had its consequences for workers too. Most importantly it contributed to the development of the institutions and practices of farm paternalism. These worked to legitimate and regulate white power at farm level, and locked poor black⁷ households into highly authoritarian and deeply racialised relationships of servitude and dependence (Ross 1983, Ross 1986, Watson 1990, Dooling 1992). These institutions did not fade away with the abolition of slavery in 1834, but continued to shape the farming styles of land-owners and the strategies of survival and resistance adopted by workers and farm dwellers (Marincowitz, 1985, Scully 1987, Scully 1989, Crais 1992). By the late 20th century, the social relations of paternalism were still thoroughly entrenched on wine and fruit farms throughout the province (Nasson 1984, Schärff 1984, Du Toit 1993, Waldman 1993, Ewert and Hamman 1999).

⁶ Interview with Isabel Kroukamp ** 24 October 2001.

⁷ “Black” here is used in the widest sense, to include all identities (coloured, African, Indian, etc) excluded as “non white” by Apartheid policy and discourse.

Workers continued to be profoundly dependent on white farm owners. Besides the infamous ‘tot’ system (the part payment of farm workers in alcohol), a key role was played by workers’ dependence on tied housing and the exemption, until the early 1990s, of farm workers from the provisions of labour legislation and the protection of trade unionism.

3.2 Policy and law after 1994

The end of Apartheid brought important changes. Most obviously, it meant the end of the political apparatus that gave whites uncontested control over local and national government. More concretely and directly for fruit and wine farmers, political transition led to the consolidation and deepening of policy and legislative changes that had already started in the mid-1980s.

These changes are complex and many-faceted: suffice it here to say that they involved a simultaneous process of deregulation *and* re-regulation. On the side of labour and social regulation, debates since the late 1980s and throughout the 1990s on how poverty and inequality are to be addressed have focussed mostly on extending rights and protections to black workers and on dismantling the massive regulatory apparatus that protected white farmers during the Apartheid era (National Department of Agriculture 1998). A key role was played by the ANC’s adoption of a broadly neoliberal economic framework under in terms of the Growth, Employment and Redistribution (GEAR) strategy, the gradual relaxation of currency controls, the phasing out of the General Export Incentive Scheme (GEIS), the implementation of the tariffication of agricultural import restrictions in terms of South Africa’s WTO commitments, and the deregulation of agricultural markets through the repeal of the Marketing Act and its replacement by the Marketing of Agricultural Products Act (Bayley 2000). In the fruit sector, this meant, most concretely, the deregulation of export markets and the abolition of what was in effect a single desk export scheme under the Deciduous Fruit Board and Unifruco. In the Western Cape deciduous fruit industry this process led in 1998 to the dismantling of the Deciduous Fruit Board, the abolition of the single desk exporting system, the end of Unifruco’s *de facto* monopoly over fruit exports, and Unifruco and Outspan’s merger and conversion into a private export company competing for fruit and markets with other South African exporters (NAMC 2000, McKenna 2000). This was accompanied by the re-regulation of the labour market through the extension to farm workers of basic employment legislation, first through the Agricultural Labour Act (1993) and later through the Basic Conditions of Employment Act, the Labour Relations Act of 1995, the Extension of Tenure Security Act (1997), the Employment Equity Act (1998), the Skills Development Act (1998). More recently, these were followed by the provision of a sectoral determination for minimum wages for farm workers in December 2002 and the extension of unemployment insurance legislation to temporary and seasonal workers in early 2003.

During the late 1990s, the white power structures built on the wealth generated by the fruit export industry were thus subjected to new pressures. Not only were the levers of direct political control slipping out of white hands, but deregulation fragmented the pool system that had protected farmers from risk at precisely the same time as increasing consolidation of retailer power in the fruit industry’s key northern markets put margins under pressure. Farmers who had borrowed extensively to finance further development or to restructure their orchards found themselves suddenly caught between downward pressure on producer prices from supermarkets, increasing labour and other input costs and spiking interest rates in the wake of the 1997 Asian economic crisis. By 2000-2001, economic gloom settled over Ceres district. The local branch of Price Waterhouse Coopers calculated the average farming

debt at about R 7 million per fifty hectares. Land prices flattened - for a while, they were selling at half their orchard development costs - and a spate of insolvencies hit prominent local fruit farms. Since then, the economic picture has stabilised somewhat – not because the industry has become any more efficient or better, but mostly because of a further 40% deterioration in the exchange rate.

3.3 Re-configuring power

The effects of these changes on workers have been mixed. Though conditions for skilled, core and permanent farm workers have improved, and though small groups of workers have benefited from “empowerment” initiatives, many farmers have responded to changed conditions by restructuring their businesses

	Regular Jobs (per ha)		Seasonal workers (per ha)	
	1995	2000	1995	2000
Whole sample	1.36	0.77	1.32	1.25
Deciduous Fruit	1.34	0.56	0.59	1.12
Table Grapes	1.95	1.35	2.79	2.17

Table 2: A comparison between jobs (regular and seasonal) per hectare in 1995 (Kritzinger, Prozesky and Vorster 1995) and 2000 (Du Toit and Ally 2000)

and shedding labour. It is important not to exaggerate or simplify the nature of these shifts. Labour intensity in agriculture has in any case been decreasing since the 1960s. However, this trend seems to have been accelerated and deepened in the Western Cape in the late 1990s. A survey by Du Toit and Ally found evidence of an uneven but clear shift away from the use of permanent workers and towards the use of temporary, seasonal and subcontracted labour (du Toit and Ally 2000). In a survey of 77 wine and fruit farms in six Western Cape districts, they found that 58.7% of farms had reduced their permanent on-farm labour force in the previous three years, while almost half of respondents (47%) indicated plans to decrease labour in the future. The effect of these trends is hard to establish, but a comparison with Kritzinger and Vorster’s research shows a significant shift away from permanent labour towards seasonal labour between 1995 and 2000 (see Table 2).

These shifts bring about important changes in the Western Cape agricultural labour market. Not only is there a reduction in the number of permanent jobs per hectare, but the nature of employment relations – and the composition of the labour force itself – is shifting. While only 21% of permanent jobs were held by women, du Toit and Ally found that almost two-thirds of the harvesting labour force was female. In addition Du Toit and Ally found a significant shift towards externalisation – the provision of labour by third party contractors, with some 53% of farms indicated that they were making use of contractors. Significantly, only 17% of these farms indicated that they used labour-only contractors (in other words, contractors that act only as ‘brokers’); on the remaining 83% of farms they performed management services, so that the employment relationship was not with the farmer, but with the contractor.

Entire Sample	32%
<i>District</i>	
Ceres	50%
Grabouw	33%
Paarl	35%
Robertson	13%
Stellenbosch	55%
Wellington	17%
Worcester / Hexrivier	22%

Table 3: Farms abjuring paternalist housing function (from du Toit and Ally 2001).

In addition, they found a marked reluctance among farmers to continue to provide on-farm housing for

workers, the lynchpin of traditional Western Cape farm paternalism. Some 11% of the houses on the farms surveyed by Ally and du Toit were standing empty while 57% of farmers reported having at least one empty workers' house on the farm. Even more importantly, significant numbers of respondents indicated an intention to demolish worker housing (21%) or to change their use (12%): these populations overlapped to some extent, but all in all, some 32% of farmers in the survey indicated an intention to abjure the traditional housing function performed by Western Cape wine and fruit farms (see Table 3).

Farmers tend to blame these trends on the entrenchment of workers' tenure rights by the Extension of Tenure Security Act. Whether it is correct to see this as the central cause of this trend or not, there is no doubt that on-farm housing – once seen as an important investment by Western Cape farmers – is increasingly being regarded as a liability. As a result, workers are being moved off farms, and end up either in low-cost developments or in informal settlements around small Western Cape country towns. Interestingly, the upturn experienced by Ceres farmers in 2001-2002 shows no sign of reversing these trends.

In fact, a look at the profile of Ceres at the beginning of the twenty-first century seems to indicate that the coming into power of a black majority government in South Africa has not signalled the end of white hegemony in the Ceres district or elsewhere in the rural Western Cape. True: Ceres now has a black, African National Congress mayor. But the machinery of local government has not fundamentally changed. The white elite that has run the valleys of the Witzenberg since the 18th century has not been displaced. At most, it has been somewhat reorganised. The Van der Merwes of Boplaas have slid from their pinnacle at the top of the pecking order and have been replaced by the slightly more recently arrived Du Toits, whose Du Toit Group now controls more land in the Koue- and Warmbokkeveld than anyone else. Politically, there is also some fragmentation. The hegemony of Afrikaner nationalism has given way to a much more complex picture characterised by formal acceptance of free market ideology and non-racialism. The language of paternalism has not disappeared, but has mutated to include in its lexicon concepts of "empowerment" and "sustainable development." Paternalism and networks of patronage continue to shape the life chances and livelihood options of the poor.

In this paper, it will not be possible to explore in depth the discourses and practices of local government, and to show the continuities and discontinuities with the past. Rather, attention will focus on showing the extent and nature of poor households' continued dependence on a seasonal agricultural labour market for their survival, and the implications of this for chronic poverty.

4 Off-farm poverty in Ceres

4.1 Research approach

What do these shifts mean for the poor households who depend on industrialised agriculture for their livelihoods, and who are no longer part of the ambiguous implicit contract of paternalism? Little attention has been paid to this issue. Although policy and advocacy work in South Africa includes an awareness of the concerns and problems of farm workers, this concern has been almost entirely focussed on the situation of permanent and on-farm workers. Research on poverty and social conditions among farm workers has tended to focus heavily on permanent and on-farm workers (e.g. Du Toit 1993, Kritzinger Prozeski and

Vorster 1995), and has tended to focus fairly narrowly on labour conditions (wages, conditions of employment, implementation of legislation). The same is true of policy and advocacy work, which is dominated by NGOs and unions focussing mostly on permanent workers as a clientele, and by an overriding concern with employment relations, labour legislation and the regulation of on-farm tenure. Seasonal and ‘casual’ off-farm workers are almost invisible in the debate.

The survey discussed in this paper sought to redress this balance, firstly by focussing on off-farm communities and secondly by investigating household livelihood profiles and outcomes in a much more encompassing way. This involved a detailed in-depth household livelihood survey of four selected poor neighbourhoods in the Ceres area. The research involved a survey covering a wide range of key livelihoods issues, including income, expenditure, household assets, access to natural resources, social and human capital, anthropometric and health related data. This research was supplemented by a follow-up study involving in-depth semi-structured interviews with selected households.

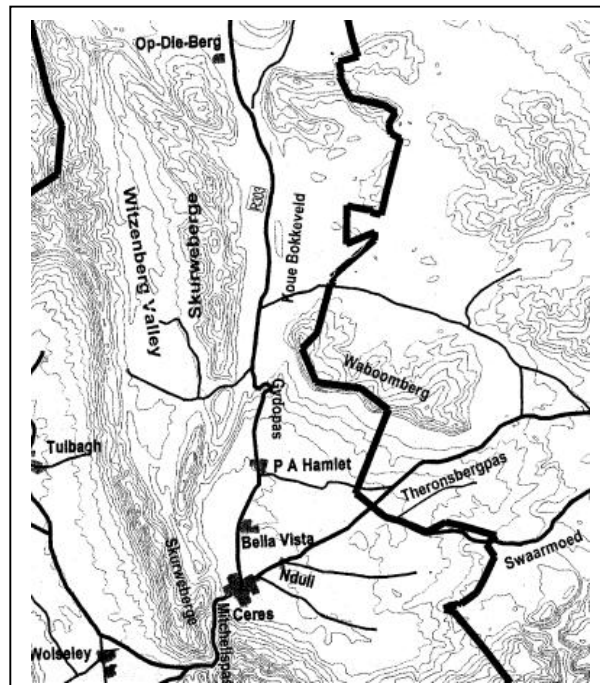


Figure 3: Map of the Ceres area, showing Bella Vista, Nduli and Op-die-Berg

The design of the survey and the interpretation of the results are informed by research insights and understandings arising from a much longer-term research involvement in the area. Since 1998 this research has involved in-depth interviews with fruit farmers and farm workers, contact and collaboration with local NGOs and trade unions, consultation in the restructuring of the fruit packing industry and episodes of participant observation working alongside fruit farm workers in local orchards and packing houses (Du Toit and Moosa 1998; Du Toit 2000, Du Toit 2001; Du Toit and Ally 2001). The target areas were selected on the basis of participatory social mapping exercises with local NGOs, local government and civil society organisations. In order to ensure some level of comparability and possibility for extrapolation with other survey data, the survey used the same boundaries as the SA Census’s Enumerator Areas. Four key focus areas were selected, each representing a significantly different scenarios:

- (1) One site was Zone 3 in Bella Vista. Bella Vista, situated some 5 km from the periphery of Ceres, is the town’s coloured⁸ township. The area as a whole as a mixed

⁸ ‘Coloured’ is used here to denote those people classified as coloured under Apartheid. It does not refer, as is commonly assumed, to ‘mixed race’ (sic) peoples – we are all mixed race in South Africa, and many coloured people can claim a fairly unsullied African (i.e. Khoi-San) ancestry. Colouredness is a racialised *cultural* identity and generally refers to those black people descended from slaves and indentured servants at the Cape who were cut off, through the slave trade or genocide, from their own culture and who fashioned new, creolised identities through appropriating, translating and subverting elements of settler culture (Erasmus 2002).

socio-economic profile, and many middle-class coloured people are still settled on the hillside facing the highway – an area known colloquially as the *ou Blok* (the old block). Out of sight of the highway, a dense settlement of low-cost, subeconomic housing has mushroomed in the last five years; this area, formally Zone 3, is colloquially known as *vaalbarraks* (“the grey barracks”) and the *kleinhuisies* (“tiny houses”). This last name refers to the nature of the subeconomic housing, which is cookie-cutter RDP format: single-brick, two-room dwellings with running water, 50-Amp electricity and flush toilets, squatting in the middle of a 30 square meter plot of bare ground.

- (2) Op die Berg (literally, “On the Mountain”) is a “agrivillage” in the high valleys of the Kouebokkeveld. Originally hardly a town – just a church, a post office and a small cluster of houses belonging mostly to local farm managers – it has seen significant expansion in the last decade as a dormitory town for locally employed farm workers. On the north side of the river, where some retired farmers are now settled, it is still white and wealthy: the streets are wide and tarred, homes are spacious, and gardens are lush. South of the river is where coloured farm workers live. Many of them have been settled here by local farmers and still have permanent jobs on those farms. Some of the houses have been built by the farmers themselves and are much better than RDP standard; more recently, however, a large number of RDP houses have been built.
- (3) Nduli (literally, “The Hill”), 5 km away along the Laingsburg road, is Ceres’s formal African township. This alone is unusual: most small Western Cape country towns do not have an African township at all. Ceres is exceptional partly because of large farmers’ long-established pattern of importing migrant workers from the Eastern Cape during harvest season. The oldest section of Nduli is the hostel area where those migrant workers were originally housed. Today the hostels no longer provide temporary housing, but house ex-migrants and their families or – in a significant number of cases, households still composed of single African men.
- (4) On the western edge of Nduli there is an extensive informal settlement. The largest part of this settlement is known as Polo Cross (after the polo grounds which originally existed on the site). In the last five years, a new settlement has grown up in the land between Polo Cross, the local school and the highway: this area is known as Mooiblom (“Pretty flower”).

	Male	Female	
Bella Vista	174	222	396
Nduli hostels	63	62	125
Nduli Mooiblom	159	171	330
Op die Berg	233	262	495
	629	717	1346

Table 4: A profile of people in the Ceres survey

4.2 Dimensions of poverty

The nature of chronic poverty in Bella Vista, Nduli and Op die Berg are determined by a number of intersecting and overlapping dynamics.

4.2.1 Dependency on agriculture

The central and most important element of poverty among households surveyed was their *high degree of reliance on cash incomes*. This was related to a broad and severe lack of access to economic capital and natural resources. Only 11% of households in the survey indicated that they had access to land for a food garden – and this was due largely to a large percentage of households in Nduli involved in a food gardening scheme (see Table 5) - less than one per cent had access to grazing land, and less than half a per cent access to fields for cultivation. It is also notable that residents of Bella Vista and Op die Berg – the formal township developments – had less access to these resources than the predominantly African residents of Nduli and the informal shack town of Mooiblom. Some 96% of households owned no livestock of any kind; where households did own livestock, it was mostly chickens.

	Percentage of households				
	Bella Vista	Nduli hostels	Nduli Mooiblom	Op die Berg	Whole Sample
Meadow/ field for grazing	0.60	4.26	0.73	0.00	0.74
Fields for cultivation	0.00	4.26	0.00	0.00	0.37
Food garden	2.40	37.50	17.52	6.99	10.97

Table 5: Household access to land for food production

Linked to this was the relative importance of paid employment and cash income to households' general poverty status. Households reported a low level of reliance on natural resources; outside of the collection of wood from pruned orchards as an energy source, households had to buy most of what they needed. Households that were cash-poor were unlikely to own significant economic capital, either in the form of savings, access to land for food gardening, or livestock. Cash-poor households were poor in household resources and infrastructure. (Some aspects of this lack of resources eluded measurement in the survey: while the questionnaire surveyed ownership of items like radios, refrigerators, stoves and other minor capital items, anecdotal evidence during the survey showed that some of the poorer households owned *no furniture at all*, living basically in an empty cement box, sleeping on scavenged sponge mattresses and using mik crates for chairs.) There was also a strong correlation between income poverty and reported food insecurity.

In the context of this lack of access to land and resources for household food production and with the absence of much linkage to a social hinterland of subsistence agriculture, it is no surprise that the major focus of household livelihood strategies was access to cash and paid employment. Eighty percent of household income, on average, was derived from salaries, casual work and seasonal employment. In the survey, employment was identified by respondents as household members' most pressing need in 38% of cases, more than double as common as the next most prevalent identified need (housing, at 18%).

In this context, perhaps the most serious immediate and direct cause of income poverty was the insufficiency and insecurity of paying jobs. Respondents indicated that some 38.7% of adult household members below the age of 65 had no paid employment of any kind. Almost 20% of households reported that there was no person older than 18 with paid employment in the household. About a third (35%) of households reported that all adults had some paid

employment – usually indicating a situation where adults held a mix of different seasonal, temporary and permanent jobs. Unemployment and job loss were far and away the two most common forms of shocks households had received in the previous year. More than a third of households reported that they had suffered “general unemployment in the household” in the last year, 25% reported the loss of work by a breadwinner in the previous year and 35% reported the loss of a permanent job during the last five years.

Where households had access to work, it was most often farm work. Almost 40% of household members with access to paid work were reported to have spent some time doing wage labour in the agricultural sector, while for some 32% of household members with paid employment, farm work was reported as their most important wage-earning activity. The next categories – “other unskilled work” and employment in the service sector - were half as common as farm work. Some 16% of household members with employment were mainly active in the agro-food processing sector (usually denoting employment in one of the large fruit packing houses in the region). All in all, half of the households in the survey with access to paid employment were directly linked to the fruit industry in some way or other.

Category	Number	Percentage
Farmwork on commercial farm	260	31.98%
other unskilled	145	17.84%
service/retail sector	124	15.25%
food sector employment	123	15.13%
public service	57	7.01%
domestic work	45	5.54%
own employment	35	4.31%
non-food sector employment	24	2.95%

Table 6: Main sectors of employment for employed adults

Respondents indicated that only 26% of the members of the households surveyed had access to a stable, permanent job. Households often combined permanent and/or seasonal incomes, so that some 31% of households were in some way dependent on seasonal labour for income in part of the year in one way or another, and 25% of households were entirely dependent on seasonal or temporary labour.

Site	Income
Bella Vista	289.7022
Nduli hostels	254.9917
Nduli Mooiblom	204.7518
Op die Berg	497.8015

Table 7: Average incomes per adult equivalent, by site

These factors together have a depressing influence on income levels. Average incomes were some R1174 per month – R 341 per adult-equivalent household member. Just less than two-thirds of households (65.2%) were therefore below the 2002 official poverty datum line of R 352 per household. These already low figures however conceal the relative variability of incomes (see figure 4). Household incomes fluctuated by an average of 23% of maximum values, with the seasonal fluctuation in Bella Vista and Nduli closer to 40%.

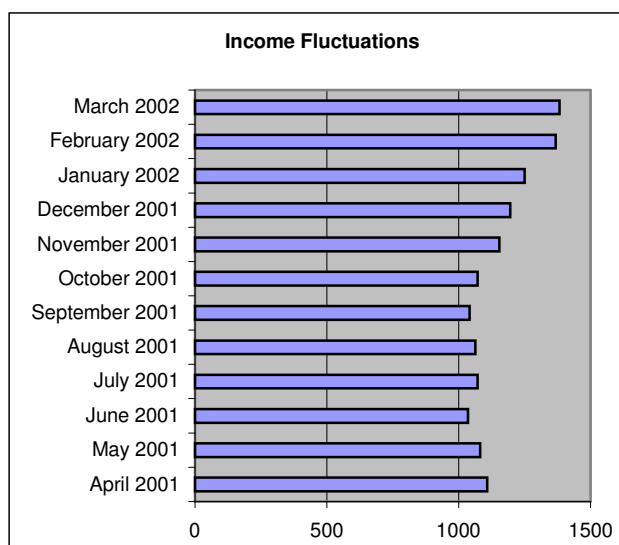


Figure 4: Seasonal income variability in Ceres

As in the case of CPRC research in other South African contexts, an important finding of the research is the limited impact of educational level achieved on employability. Progressing beyond the first five years of education (Standard 3, in the old nomenclature) improved household members' chances of obtaining seasonal and temporary employment from 50% to about 65%, but after that, increasing levels of education made very little difference. And it made almost no difference to one's chances of obtaining a permanent job: in fact, the small number of older people who had never attended school had a slightly better chance of obtaining permanent employment than those who had schooled for five years. Even though households may have managed to invest significantly in increasing their capabilities and their 'human capital', it seems there are obstacles in the way of realising entitlements on the basis of these capabilities (see Table 8).

	Has Paid Work		Permanent Job	
	Yes %	No %	Yes %	No %
Never attended school	53.27	46.73	25.23	74.77
Still at school	8.33	91.67	2.78	97.22
Sub A to Standard 3	49.66	50.34	21.77	78.23
Standard 3-5	64.79	35.21	28.52	71.48
Standard 6-8	63.85	36.15	27.44	72.56
Standard 9-10	66.40	33.60	30.83	69.17
Tertiary qualification/ certificate or diploma	94.87	5.13	66.67	33.33

Table 8: Highest level of schooling attained and employment status

4.2.2 Seasonal employment: power and dependency

In this context, employment in the agro-food sector played a complex and ambiguous role in poor households' lives. An important factor here is the nature and structure of the social power relations that surround seasonal and temporary employment on fruit farms in Ceres.

Here it is important to understand that fruit farmers' seasonal labour requirements are defined by the need to combine and reconcile divergent and sometimes conflicting imperatives. These imperatives are decisively shaped by the technical and material constraints of fruit production. Not only is fruit production characterised by seasonally changing tasks and labour requirements; within each season it is also marked by a high degree of unpredictability and risk (Du Toit and Moosa 1998). The optimal times for any task is determined by a multitude of factors, only some of which are in farmers' control, and changing weather can play havoc with day-to-day or weekly planning. A well planned fruit farm is set up so that the season is long (with early and late varieties) and even (with different varieties ripening in sequence, so that the same workers can deal with each in turn). But weather and other unpredictable factors can play havoc with this sequence, so that in any harvest time any farm can at a given time have too much work (or, more rarely, too little).

In this context, the market in seasonal and temporary employment is shaped by farmers' desire to have access to sufficient numbers of adequately skilled workers at the lowest possible price when demand is at its peak, while being able to avoid carrying any extra workers at all during times when there is no demand, or when work is not there to be done. This is not always easy. Pruning, thinning and even picking deciduous fruit requires significant amounts of care and skill; while employment in the low season is scarce, even for

skilled workers, they are often in short supply during the high season. Ways have to be found to build relationships with workers between seasons, so that farm managers can be sure that workers will be available - but this has to be balanced against farm owners' desire for high degrees of flexibility, and their reluctance to enter easily into hard and fast commitments.

Over the years, in response to these needs, a wide range of labour sourcing strategies have developed among farm managers and owners. These are shaped, not only by the exigencies of a free market in labour, but also the accidents of history, culture and geography. These have led, in the first place, to a labour market that is highly spatially diverse and segmented. In the Ceres region, smaller farmers have historically tended to carry more labour than they need for the low season and less than their peak demand, coping with these differences by swapping workers among one another as the harvest progressed. Nearby towns such as Ceres itself, Wolseley, and Prince Alfred's Hamlet also have provided farms with seasonal labour, while other farms have long relied on teams of seasonal workers trekking into the fruit farming regions from the arid and much poorer Karoo region. Many of these have settled in the area: at the time of writing, few of the farm workers living in Bella Vista are 'Ceresiete'; they are far more likely to hail from Willesden, Sutherland or Calvinia. On larger farms, particularly in the higher valleys of the Kouebokkeveld, fruit farmers have during the Apartheid years relied heavily on African migrant workers from the Eastern Cape, recruiting workers through labour brokers or 'boss boys'(sic.) in the Eastern Cape, transporting them to Ceres for the season and either shipping them back afterwards or simply expecting them to make their own way back to the bantustans. 'Good' workers would often be given a token or document that would give them priority for the next season's recruitment. These patterns of employment have led to the establishment of long-range networks often linking particular farms in the Ceres area with particular villages and districts such as Sterkspruit in the Eastern Cape.

The forms of the relationships with seasonal workers have also been fairly diverse. While some workers have no long-term relationships with the farms on which they work, others will be part of teams that keep returning again and again to the same farm or set of farms (sometimes the very farms from which they have been evicted or where they held permanent jobs in the past). Some farms have chosen to deal directly with their seasonal labour, employing people on short-term contracts for the duration of the harvest season. In some cases, self-organised seasonal teams

approach farm management directly; more usually, management will make use of brokers and middle-men or women to put them in

The labour arrangements in place at The Grange **, a farm nestled against the Ezelfontein road running south-east of Ceres provide a good example of some of the ways in which externalisation has been used to pass costs on to labour contractors. This farm has in the last five years gone through a significant process of labour-shedding. Permanent, on-farm posts have been reduced to a third of their former level, and most of the pruning, thinning and harvesting is done by a team of workers brought back to the farm each season by a contractor, Jacob Linnie **. The farmer negotiates overall prices with the contractor (e.g. in harvest time, based on a cost per bin of fruit); from this price the contractor has to recover his own costs and margin as well as pay workers. Furthermore, during the season, permanent workers on the farm are formally under the control of Linnie. The contractor pays these workers on exactly the same basis as he pays the workers he brings in from Wolseley and Bella Vista. Furthermore, the owner of the farm invoices the contractor for the cost of the on-farm workers' provident funds and housing - effectively ensuring that off-farm workers are subsidising the on-farm workers salary packages.

Box 2: How contracting arrangements help a farmer externalise the costs of labour

touch with available workers. Then there is the trend already mentioned towards relying on “externalised”⁹ about strategies where workers are provided by a contractor. For farmers, the latter arrangement potentially holds significant risks and important advantages, partly because with contractors, farm management does not form part of the employment relationship. In some ways this makes control much more difficult for farmers used to the ability to command workers directly. But where quality controls can be put in place, the onerous nature of legislation and the burden of administration on the employer makes “externalised” labour relationships of his nature increasingly attractive to farm managers, because it allows farm management to pass on many direct and indirect costs and risks to the labour contractor. In Ceres, some farmers have turned this into an art form, managing to make contractors responsible even for the employment relationship with on-farm workers (see *Box 2*)⁹.

The seasonal labour market that has resulted is characterised by highly unequal power relationships. Farmers and workers do not encounter one another in a completely open market with equal access to information. Rather, farmers pursue arrangements that allow them to pay as little as possible for the labour they need, and that allow them to displace downwards - or to externalise onto labour contractors and seasonal workers - the risks associated with the uncertainties of agricultural production. In these systems of relationship, an important role is played by brokers, mediators, contractors, and contact people on whom both farmers and workers rely for access to jobs and labour.

These relationships can take a wide variety of forms. At one extreme is the almost ubiquitous importance of family relationship as the basis of claims to get access to both permanent and seasonal employment: one of the most basic pre-requisites for access to an opportunity at any workplace is to have a family member or other connection already working there. At the other extreme, for those who are able to play a decisive role in organising these networks, the rise of a contract labour market gives the opportunity of developing their own networks of patronage and power – or to extend those that already exist. Perhaps the most striking example in Ceres is the involvement in labour contracting of a notorious local gang known as the Red Devils. Originally a gang of *smokkelaars*¹⁰ (“smugglers”) involved in illicit liquor sales, the drug trade and extortionate moneylending, their core activities now are intricately tangled up in the labour contracting business. The 100 – 120 workers who are reputedly employed by them notionally earn R200 per week, but are also provided each week with food from “mobiles” (small, local food vendors often doing business from a trailer) controlled by the gang – and with “pap sakke”(5-litre foil bags of low-grade wine). Not only is the infamous tot system almost literally re-invented and adapted to off-farm use, but the contractor profits three times – from the contract with the farmer, from the sale of the food and the sale of the wine.¹¹

Reliance on seasonal employment in agriculture therefore has important implications. It is not simply a matter of the quality and nature of its contribution to poor households’ cash incomes. It is also a matter of the role of the networks and relationships of patronage and other forms of connection - “social capital”, in Livelihoods Framework terms - that shape household members’ ability to get access to seasonal jobs. These relationships play an

⁹ Interview with Jacobus Linnie** Bella Vista, April 2000

¹⁰ “Smugglers”. This term refers to someone who sells alcohol illicitly, and by extension, also to drug dealers. *Smokkelaars* are also often likely to get involved in moneylending and protection rackets.

¹¹ Interview with Freddie Arends* 15 January 2003

ambiguous role in the perpetuation of poverty. While they play an important role in ensuring basic survival, they also tie poor households into networks of obligation and power relations that in the long run may not work to their advantage.

4.2.3 *The hungry months: the costs of seasonality*

One of the most important areas of stress experienced by households in the survey related to food security. Some 70% of respondents indicated that their households had experienced a food shortage at some time during the previous twelve months. Some 25.8% of children exhibited a degree of stunting, 13.6 % were underweight and slightly less than 3% showed evidence of wasting. Interestingly, reported food shortages seemed to be more prevalent in Bella Vista – where mean incomes were higher – than in the two African settlements. This may be related to the higher dependence on seasonal labour in that community, but it could also be linked to the fact that informal settlement dwellers need less cash for municipal rates and taxes.

Households reporting 'hungry periods'		
Site	Number of households	Percentage of households in site
Bella Vista	137	82.04
Nduli hostels	37	77.08
Nduli Mooiblom	104	75.91
Op die Berg	99	53.22
Total	377	70.07

Table 9: Overall food insecurity, broken down by site

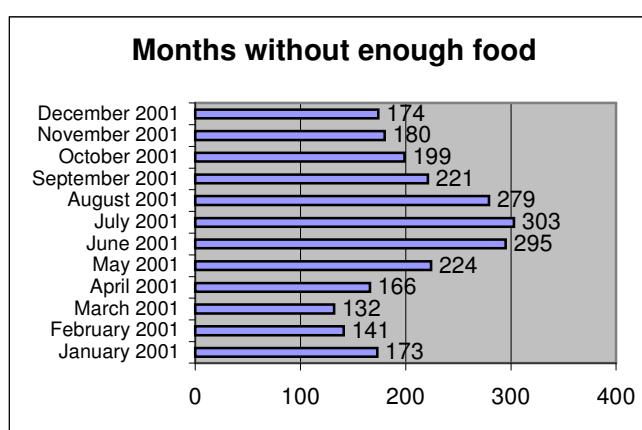


Figure 5: Reported food insecurity, month by month

Hunger certainly showed a strongly seasonal character, with the number of households reporting hunger more than doubling between March and July (see Figure 6). While 27% of households did not experience any hungry months, 13% of households reported insufficient food year-round; there is also a significant clustering of hungry households around the figure of eight hungry months. Interestingly, breaking down these figures by income level shows that 38% of households in the highest income quintile still reported hungry months: the mean income level of households not reporting hungry months was R591 per member per month, or more than R2500 per household. Respondents calculated that their households, on average, spent 43% of their expenditure on food. Overheads associated with housing – rent, energy costs, and municipal rates, cost about 20% of their expenditure

4.2.4 *Social Capital, Gender and Hidden Labour*

In this context, the nature of the social relations within and among households plays an important role in shaping household members' survival strategies. Four key points stand out with particular importance here.

(1) The first is *the comparative thinness of formal associational life* among households in the survey. Churches and religious organisations form by far the most important formal social organisation - 78% of respondents reported that a household member belonged to one), with funeral associations (27%) and youth groups (20%) relatively far behind. Less than 6% of households reported that a member belonged to a parent-teacher association; political party membership stood at 7%. and less than 1% of respondents indicated membership of a savings association or a community credit organisation (see Table 8).

(2) Formal associations however, seemed to play very little role in households' immediate survival strategies. Claims for help and assistance are based mostly on blood relationship. Questioned about whom they turned to when they needed support or help, most households indicated that they relied primarily on immediate family (67%), family friends and extended family, with the next categories - employers (4%) and the church (3%) - following far behind. Qualitative follow-up interviews suggest that help could take the form of lending money, providing some basic foodstuffs, or even allowing hungry relations to share a meal. The widespread distribution of poverty, however, meant that the help to be gotten from these networks is often limited: the relations to which poor households seemed likely to be poor themselves: often help is simply not forthcoming. The functioning of these family networks depends on context. There are some indications, for example, that one of the reasons why seasonal food insecurity in Op die Berg is less acute than in Bella Vista is that many residents are still fairly directly linked via family structures to people who are still on farms. Development workers in Op die Berg argue that these links are an important source of food (in kind) during hard times.¹² If this is so, a key aspect of life in Bella Vista then is not only that there is a high reliance on seasonal labour and a relative exposure to service delivery charges, but also that people are relatively more cut-off from networks that would allow some kind of transfer to them of the "fringe benefits" of the paternalist contract .

(3) Thirdly, the functioning of these networks is powerfully shaped by gender. Qualitative interviews seem to indicate that the essential labour of "working" family connections for support is primarily done by women. Even when the family connection itself was to a paternal relation, it would usually be women who did the work of asking for help, and women who provided.

This, of course, is far from surprising: it forms part of the broader way in which gender relations work to subject women particularly heavily to the burdens of poverty. One key aspect of this process is the marginalisation of women within the job market. While women constituted 60% of

Individuals spending time on significant activities		
<i>Activity</i>	<i>Men</i>	<i>Women</i>
Self-employed (non food)	68.57%	31.43%
Fetching wood	67.00%	33.00%
Food gardening	61.26%	38.74%
Other	56.90%	43.10%
Studying	50.91%	49.09%
Employment (agro-food)	48.75%	51.25%
Looking for work	43.53%	56.47%
Self-employed (agro-food)	40.00%	60.00%
Shopping	26.62%	73.38%
Homework/ Domestic Work	26.16%	73.84%
Fetching water	25.00%	75.00%
Caring for children	21.93%	78.07%
Caring for aged	21.62%	78.38%
Caring for sick	20.00%	80.00%
Caring for disabled	15.38%	84.62%

Table 10: Reported activities for more than one hour a day, by gender. Percentages refer to the total of the individuals involved in that activity

¹² Interview with Nik Wulschlegger and Godfrey Galant, AKSENT, 9 December 2002

those without any paid work, and 61% of those who were seasonally employed, men made up almost 65% of those who had permanent positions. These statistics are related to the patriarchal family ideology that maintains men's supremacy in the household and constructs them as primarily breadwinners, and which thus legitimates the temporary nature of much female employment (Barrientos 2000, 2001). As the survey showed, this also produced a situation in which women were responsible for doing the often invisible work of household reproduction (see Table 8).

Unsurprising as these patterns are, they bear some further discussion. The relative passivity of men within the networks of family assistance and in household production is sustained and legitimised by the discourses of patriarchy and male supremacy. These discourses and ideologies form an important of men's ability to make use of "social capital". But their implication for men seems to be ambiguous and two-edged. Patriarchal power has its ironies among poor households. The privileged status of men is linked to their notional role as breadwinners in a social and economic context where that role is particularly fragile. On paternalist farms, the discourses of mastery, servitude and masculinity interact in complex ways - subjecting male permanent workers to the authority of the white farmer, while the status of *plaasman* entrenches some degree of authority within the farm worker household. Off-farm, in the context of the scarcity and the insecurity of any form of paid employment, the discourses that sustain poor black masculinity are much more subject to crisis.

(4) This seems to be at least one of the conditions for the emergence of increasingly prevalent and effective – but seriously destructive - forms of social capital in these communities: the networks and brotherhoods of gang life. This raises complex issues for social research. In the first place, an analysis of livelihood strategies underscores Murray's warning of the the internal conflictuality of community life and the existence of highly exploitative dynamics among and between households. Not everything that can be listed within the "asset pentagons" used to inventory household resources is necessarily the kind of private or public good policymakers would approve of. It bears thinking about that, in all of these communities, the ability to use (and to survive) violence, for instance, is a key "capability" or form of human capital, and that for some households, participation in criminal networks and associations is a very successful livelihood activity. Secondly, these phenomena are hidden from survey type research. So while crime – extortion, debt racketeering and the illicit selling of alcohol and drugs - are invisible in the dataset, they were clearly a prominent feature of the social scene in Bella Vista and Nduli. Anecdotal evidence from some key informants indicate that "*smokkelary*" (smuggling), usually denoting unlicensed trade in alcohol, is much more prevalent as a livelihood strategy than is generally thought. In fact, it probably denotes the most common form of *entrepreneurial* activity among poor households.

This takes a wide range of forms. At the one end of the scale, there is "opportunist" smuggling, where an individual with some ready cash may get involved in selling beer or cheap wine on credit at inflated prices, for example to raise money to pay school fees or settle a municipal debt. Further along the continuum there are entrepreneurs who are consistently involved in the illicit alcohol and drug trade as a medium to long-term livelihood strategy. Their operations may be relatively informal and individual in nature, or may be more organised and centred in *jaarts* ("yards") or *smokkelhuise* (smuggling houses). Every street in the poorer sections of Bella Vista, Nduli and Op die Berg will have one or more such *jaarts*, often surrounded by high walls, guarded by dogs, and staffed by *jaartboys* ("yard boys") who serve as bodyguards, merchants, marketers and sources of information. In some

cases, some of these operators – the aforementioned Red Devils and the Garass family in Bella Vista are key examples – have become quite powerful and are widely reputed to have influence even within the local police force and Magistrate’s Court. Even more alarmingly, some of the local *smokkelhuise* have reputedly entered into a relationship with large, well-organised gangs from Cape Town such as the Americans and the Sexy Boys.

Freddie Arends is a large, shambling man, whose physical size and self-assured demeanour immediately mark him out as an outsider among the slightly built, soft spoken people of the Kouebokkeveld. He grew up in Cape Town, where involvement in gang life soon led to a term in prison. Moving to Ceres in 1999 after his release he forsook for a while the organised and violent life of the gangs and tried to make a living as a farm worker, but soon grew disillusioned with the hard work, poor pay and the domineering attitude of white farmers.

He now runs a small *smokkel* operation in Op Die Berg, and depicts himself as a rebel against white authority: “The reason why people smuggle is because they want to be their own boss. My reason why I smuggle is I cannot stand the farmers. I cannot understand how you can take a man’s sweat and turn it into gold and put it in your own bank account.... Meanwhile I am sitting at home my wife and kids are starving. So I decide no fuck, I have responsibilities to my family.”

He sells about 25 cases of beer a week from which he realises a profit of about R 400 – more than twice what a farm worker would earn. Some of his profits come from his mark-ups on credit, and some from the difference between specials in Cape Town and prices in Ceres, but mostly his margin is provided by the return value of the empties. He regards himself as a businessman first and foremost, couching his account of his operation in the language of modern business management and discoursing knowledgeably about “target markets”, “disposable income” and “role players.” He prides himself on his sharp mind: *Ek smokkel met my gedagtes en nie met my bek nie man* (“I smuggle with my thoughts, not my mouth, man”).

He sees himself as a benefactor to his community and has indeed played a significant part in local empowerment and development initiatives. In the winter of 2002, he deliberately took part in a local public works project - building a bridge across the river that separates black and white in Op die Berg - and subsequently he has struck up a relationship with a local NGO, which he has started assisting in the formulation of development proposals and business plans. He is clearly very proud of his involvement here, and of the many hours of his own time that he has donated to community affairs for free: “I can work. But I just don’t want to work for a farmer. I left these offices quarter past six on Sunday morning because I was helping them. Now you must think what it is for a **smuggler** to sit on Saturday night to Sunday morning quarter past six to develop business proposals for Government for a fucking sum of money that they might just **possibly** get. I must be stupid, because what’s happening to my bloody business? But I am willing to make sacrifices so that I can show these cunts: I too can do it. You say you are headmasters. You say you are church ministers. But not one of you is fucking prepared to give up your time for fuck-all to come sit here and debate and argue and after that to write and write and then to print it out and then to submit [the proposal] Not one of them. But they are so fucking quick to get up in a meeting and to complain about the smugglers. What I say is you get two kinds of smugglers. You get a smuggler who is a smuggler first. And you get a smuggler who is a human being first. And that smuggler is a person who is sustaining his community. Not his community sustaining him. He is carrying the community. He puts the community’s interests first.”

Box 3: A sketch of Freddie Arends – *Smokkelaar*, rebel, social entrepreneur

In all these cases, the existence of these forms of criminal organisation are intricately linked to the ability of local elites and entrepreneurs to make use of their own networks and relationships of clientelism and patronage. Even relatively small operators can already command significant social and human capital as well, and can be relatively influential in their immediate community, and some may even be willing to donate significant amounts of

their expertise in the cause “community development” (see Box 3)¹³. What is important to realise is not only the ways in which some of these networks replicate and re-invent some of the institutions of paternalism, as is so evocatively illustrated by the example of the Red Devils. It is also the ambiguity and double-sided nature of these networks. It is not enough simply to see, say the structures of the Church as benevolent and those of the gangsters as predatory. Rather, all these structures contain within themselves *both* the possibility of assisting (some of) the poor, *and* significant room for exploitation and the manipulation of power relationships.

4.2.5 Politics, power, passivity

Finally, any account of the persistence of poverty in the townships of Bella Vista, Nduli and op die Berg has to consider their striking cultural and political marginality. In Ceres, the most important example of this is the lack of public participation, particularly by the poor, in the formulation of the consultative “Integrated Development Plans” municipalities are enjoined to develop in terms of local government legislation – but this is only one example of a more general pattern of public political passivity and demobilisation.

Again, space is lacking to consider the reasons in all their complexity. The most obvious contributing factor is the already-mentioned character of social relations, and the huge dependence of poor people on patron client relations – but this only one factor among many. A thorough discussion would have to consider in much more depth, for example, the way in which the farmed districts of the Western Cape have been constructed since 1994 *either* as sites of commercial (and therefore primarily white) agricultural activity, *or* commodified as a picturesque sites for “consumption” by (primarily Northern and European) tourists. Closely related to this are the continuities with the legacy of spatial Apartheid, including the highly racialised land tenure patterns on the farms and the persistent racialisation of public space, which lives on in the segmentation of Ceres into “white”, “coloured” and “black” (African) areas.

Another role is played by the nature of the dominant political culture in the Western Cape, and the discourses and political frameworks available for making public sense out of the needs and claims of poor people. On the one hand, there is a paternalist and demobilising discourse of development, in which poor black people are constructed as “*agtergeblewene gemeenskappe*” (“left-behind communities”). This framework generally works to render invisible the power relations and conflicts that keep poor people poor, and construct them essentially as passive recipients of training and developmental largesse. On the other, there is the discourse of popular mobilisation still articulated by unions and NGOs, who are much more critical and aware of power relations – but who essentially still attempt to mobilise poor people in terms of the adversarial and confrontational political traditions of the 1980s. Important as those traditions have been in the past, they are ill-suited to new political alignments of post-Apartheid South Africa, not to mention the practices of accommodation, negotiation, and “off-stage maneuvering” – the “weapons of the weak” (Scott 1985) – essential for survival in day-to-day life for those lacking in power.

These factors, among others, mean that in spite of the transition to democracy and hegemony of discourses of public consultation that highlight the importance of “participation,” poor people in Ceres and beyond still tend to be objects of development, not agents in the process

¹³ Freddie Arends** 15 January 2003. Translated from Afrikaans.

of public policymaking at national and local level. Democracy has not been irrelevant to the off-farm poor in Ceres. Development and legislation has certainly brought benefits to them. But public policy has not effectively addressed either its underlying determinants or its most debilitating consequences. In important ways, the empowering consequences of democracy has passed them by.

4.3 Modernising Chronic Poverty

Poverty in the Ceres district – as elsewhere in the Western Cape countryside – is not new. It is not a product of globalization and agro-food restructuring. But these processes are helping change its character, making it harsher and more desperate.

This is not without its ironies. Poverty has been a condition of existence for farm workers in the Western Cape for as long as there have been farms in this part of Africa. First slavery and then the institutionalisation of authoritarian paternalism after slavery's demise worked to lock black workers into dependence on a labour system in which they were usually harshly exploited and often brutalised. The practices and discourses of mastery and servitude inherited from slavery persisted deep into the twentieth century. This legacy has decisively influenced the nature of policy debates and scholarship on inequality and poverty in the Western Cape. Discussions on encouraging equitable change and eradicating poverty have tended to see the problem in the Western Cape as being simply the persistence of these atavistic forms into modern times, and have assumed that farm workers' liberation from poverty and exploitation basically required the completion of the project of modernisation. For commentators on the left, this would be accomplished by the extension to farm workers of industrial-style trade unionism, while for others the key force for change would be the free market.

This analysis fundamentally misread the nature of poverty, power and social relations in the Western Cape (For a brief discussion see du Toit and Ewert 2002). Paternalist farming styles and the discourses of white mastery as they existed in the Western Cape at the end of the twentieth century were not semi-feudal vestiges of the past; they were thoroughly modern, "mutant formations" – and open to further adaptation and transformation under changing conditions. The underlying modernisation thesis of the policy debates was however unquestioned, and eventually policy encompassed both market deregulation *and* the extension of industrial-style labour relations. White farmers, politically marginalised but still disposing over significant amounts of social power and economic capital, were well placed to make sure that these transformations happened largely on their own terms. An unsystematic and uneven but apparently irreversible process of casualisation and externalisation seems to have been one of the most important results.

These changes may amount to perhaps the most fundamental revision of farm paternalism since the introduction of Masters and Servants legislation in the middle of the 19th century. For a minority of workers – those skilled enough to hold on to "core" jobs on large wine and fruit farms – these changes may be positive. But for many more workers, the shift from "subject" to "citizen" involves the exchange of the authoritarian racial hierarchies and ambiguous protection of the paternalist "contract" for a formally free but even more uncertain existence as landless seasonal workers. They are out from under the control of a white master – and for some workers that is indeed a significant degree of liberation. But for

those without permanent jobs and with few resources, this shift may well not mean the end of subjection to exploitative and sometimes even violent patron – client relations.

An unsettling and unsettled new landscape is emerging from these changes. The old categories – paternalism, modernisation, democratisation, development – seem to offer only a partial grip on its realities. What conceptual and theoretical apparatus will help us orient sensible policies in future?

5 Theorising Chronic Poverty

5.1 Poverty and Social Exclusion

Here, it may be useful to return to the notion of “social exclusion” and to consider whether it helps make sense of the complex and desperate realities of long-term poverty in contexts like those we have discussed above.

The answer depends in part on just what we mean by it and how we use it. If we see “social exclusion” simply as denoting, in the broadest sense, the idea that poor people are excluded from effective participation in social and economic life, there certainly seems a sense in which this is true of poor people in Ceres. Poverty in Ceres certainly is about going hungry. But going hungry is only one (crucial and brutal) aspect of the general way in which the state of being poor undermines poor people’s ability to participate fully in their own lives. This is a crucial and important point: although poverty does not rob people of agency, it certainly leads to the massive circumscription and limiting of the forms of agency that are available to them. Any attempt to understand chronic poverty in Ceres needs to begin and end with this issue: the intimate and mutually reinforcing links between poverty (in the narrow sense) and poor households’ lack of social power. Households’ lack of the basic assets necessary for household food production or entrepreneurial activity, and their consequent dependence on insecure paid jobs and on networks of patronage renders them and their members profoundly marginal in the very landscape in which they play such a central role.

This marginality takes many forms. Most obviously, asset depletion and cash poverty denies poor people the ability to participate fully in a society in which acts and practices of consumption are given increasing cultural and material centrality. But this is only one of the ways in which poverty and lack of power produce and reinforce each other. It reduces them to a dependent status in complex and unequal relationships of patronage, clientilism and exploitation, and robs them of many of the resources and capabilities that they need in order to be able to claim rights and entitlements that are theoretically afforded them in democratic society. It massively narrows the circle of households’ and household members’ effective impact on their circumstances and their society. Whatever resources and capabilities households dispose over have to be used in the first place for the basic tasks of household reproduction and individual survival. This is a vicious circle: while a past history of effective participation builds resources and capacity for future effective participation (Gaventas 1998), the past and present political disempowerment of poor communities such as Bella Vista, Op die Berg and Nduli means they lack the political resources that can be a foundation for future engagement. And this, in turn, renders poor households much less able to challenge the other social processes whereby they are marginalised on the national stage.

5.2 Beyond inclusion and exclusion

This very broad interpretation of the concept – focussing not so much on the exclusionary processes that may cause deprivation as on the exclusionary effects of poverty itself - focuses attention on the wide-ranging and multi-dimensional ways in which poverty is linked to powerlessness, the limited nature of poor people's agency in modern democratic society, and the ways in which these realities in turn perpetuate poverty. It resonates very much with the attention Natrass and Seekings (2001) give to the concentration of poverty among the members of the marginal working class and the landless rural poor and their relative exclusion from the centres of political power in South Africa. The question, however is, how this insight can be used to inform policy.

Here, it seems that we uncover problems. For all De Haan's emphasis on the multiple uses of the term and on its overlaps with other paradigms such as Sen's work on capabilities and Chambers work on vulnerability (De Haan 1998), we have to pay attention to what is distinctive about it as a concept. And this seems to inhere mostly in its specific focus on exclusion *through* some specific social mechanism, *from* some specific social good or other. Important as these dynamics may be as contributory causes to poverty in some cases (and the institutions of Apartheid are a good example) there is real danger in proposing social exclusion as a fundamental underlying *cause* of poverty and chronic poverty – at least in societies like South Africa and context like Ceres.

This is where matters become slightly more complicated. Mention the word "exclusion", and the idea of "inclusion" is sure to follow. Part of the appeal of "social exclusion" as a concept in policy debates is its facility in the construction of appealing and seductive *policy narratives*. In the EU, the identification of "social exclusion" is almost inevitably linked to highly normative meta-narratives about the need for "insertion" "inclusion" and "integration." In the UK, an example is the New Labour discourse that links – in a rather moralising way - the combating of social exclusion to the idea of "getting the people to work." (Percy-Smith 2000: 3,19). Even where the concept has not been entirely institutionalised and codified in the rhetoric of public policy and government, these narratives have a strong hold.

Sometimes, and in the most general terms, this may of course be appropriate – for example when a focus on "social exclusion" leads to "a recognition of the need for enabling policies to provide the poor or excluded with the capabilities to participate in economic growth and society" (De Haan 1998:16). But how should these "enabling policies" look? There is a danger that we may pass too easily over dynamics that are more complex than we suppose.

Part of the problem lies in the self-confident assumption that *we* know what poor people need to be included in. At first glance the notion that it makes sense to talk, as the EU's policy documents do, about people's exclusion from the "normal" activities of "modern" society, may seem pretty uncontroversial. Viewed from an African standpoint, where those concepts have played an often shadowy role in the legitimisation of imperialism and colonialism, they seem altogether more shaky. Whose "normal" are we talking about here? And what values and practices count as "modern"? How can these ideas be used in multicultural contexts, where the central ideas that define national identity are essentially contested? Who is to be "included" in *what*? This is not merely a theoretical point. In South Africa, for instance, the simplistic assumption that development entails the broadening out to the marginalised poor the infrastructures and systems that serve the wealthy urban elite has lately been recognised

to be profoundly damaging, and significantly out of step with poor households' real needs (De Satgé 2002). It cannot be assumed that "integration", "incorporation" and "inclusion" are necessarily panaceas for chronic poverty. Exactly *how* they will affect poor people depends very largely on *what* poor households are integrated or inserted *into*, and the exact ways in which economic and social power relations actually work. Facile and sweeping policy prescriptions can easily miss these details.

At the crudest level, this happens when social exclusion is given too important a *causal* role, or is given a crudely reductionist and economistic reading. Accounts of social exclusion can all too easily form part of an analysis that sees exclusion as the result of "extraneous" social factors – racism, ideology, policy or politics – excluding (or de-incentivising) particular people from beneficial participation in the workings of an economy that is seen as value-free and intrinsically neutral. This emphasis on *discrimination*, for example, is central in Gore's work on social exclusion in sub-Saharan Africa (Gore 1984). In a broader sense, this is the kind of economism Raymond Apthorpe has in his sights when he questions "the binarity of the conceptualization that assigns 'distribution' only to 'social' and 'growth' only to 'economic,' denoting 'exclusion' as 'social' only and then making just 'social exclusion' responsible for poverty." (Apthorpe 1999: 542). As problematic is the notion that social exclusion should be defined in terms of the "failure" of a system - e.g. the legal system or the labour market - which, were it functioning "properly," would be promoting civic or economic integration (e.g. Shucksmith and Chapman 1998:229, citing Commins 1993). Such analyses depend on an untenable and teleological conception of legal or market relations as somehow existing outside the realm of social power, as if they can be conceived separately from the broader social relations within which they are embedded. One of the key assumptions in this paper is that such an artificial conceptual division is not useful. Markets and economies are always thoroughly social in nature, "always already" structured by political ideologies, social identities and contingent and contestable discursive practice. To see these as "distorting" markets and economies in some way is to be in danger of becoming blind to the extent to which these markets' existence and function are intrinsically dependent on the realities of conflict, unequal power relations and historical legacies of violence and dispossession.

It is certainly not helpful to try to portray off-farm poor households in Ceres as "excluded" from the labour market, or to try to portray that market as having "failed". Such an analysis would be so abstract as to have almost nothing to do with the reality of how that market actually works. For the white farmers who own most of the land and use most of the labour market in Ceres, the seasonal labour market is most assuredly not failing. It is working fairly well. It succeeds in providing them with the cheap labour they need when they need it, and helps them avoid some of the most important consequences of the uncertainty and unpredictability of the harvest season. The poverty, hunger, powerlessness and marginality of poor black people in Ceres is not the byproduct of the "failure" of the seasonal labour market. It is a result of its most central and important features. More particularly, it results, not from people's *exclusion* from that market, but from the ways they are *included*.

Indeed, the crucial feature of what Samir Amin called the "Africa of the Labour Reserves" is the close link between inequality and poverty on the one hand, and, on the other, the historical processes of dispossession that worked to render people dependent on a settler-dominated labour market in the first place. This has prompted some critics of dominant development discourses to prefer "adverse" or "passive" incorporation to the notion of social exclusion. (Bracking 2003, Murray 2001). While the term "social exclusion" is helpful

insofar as it focuses attention on the general socially disabling effects of poverty and the consequent dynamics that in turn further entrench it, it provides a poor way of understanding the precise ways in which poor households are actually inserted into the economic power relations within which they are caught. It is tempting to argue, from this perspective, that what poor households dependent on insecure and poorly paid jobs may require is not *more* incorporation, but *less* – or at least strategies and resources that may help them become less dependent on these labour markets in the first place.

Part of the problem here is the very simplicity and appeal of the language of “social exclusion”, and the assumption that it is possible to counterpose “inclusion” and “exclusion” in a simple or clear way. Language is important here. In this paper, the situation of poor households in Ceres above has deliberately been couched, not in terms of the language of *exclusion*, but of *marginality*. This is something entirely different, for what defines marginality is not exclusion, or even imperfect inclusion, but *the terms and conditions of incorporation*.

Describing and summarising these is no small task – partly because, as Gillian Hart argues, any account of these changes inevitably needs to deal with “how local worlds... [have] been made in quite different ways out of superficially similar conditions” (Hart 2002). Adverse incorporation in Ceres does not work in the same way as it does in Khayelitsha, Mt Frere or Lesotho. There is nothing inevitable or a priori about the way in which these processes work. They follow no predetermined path; rather, they are themselves historical and social. Outcomes and paths depend very much on the course of the processes of specific and local processes of negotiation and contestation.

At the same time, it is possible to point out some of the key themes and dynamics that shape chronic poverty in Ceres and South Africa.

(1) The first and most obvious key reality underlying chronic poverty in Southern Africa is what Julian May has called “asset stripping” (May 2000) - the *legacy of dispossession* left by colonial conquest, white settlement and slavery. As a result of this process poor households lack direct and independent access to the natural, physical and economic resources needed for basic household food production *or* independent entrepreneurial activity. It is important to note that this dispossession is, under current economic and political conditions and for the purposes of policymakers, for the most part, all but irreversible. For better or for worse, the measures required to effect a large-scale and fundamental re-balancing of asset distribution in the short term are unavailable, and certainly unthinkable within the narrow terms of what development agencies and international financial institutions are prepared to imagine. For better or for worse, whatever measures are available to South African pro-poor policymakers have to be conceived on a terrain defined by accepting as a *fait accompli* the massive historical inequities of a world shaped by slavery and colonial settlement. To a large extent, then, “adverse incorporation” is here to stay.

(2) This is intimately related to the process of *monetization* – the increasing centrality of money as a source of entitlement and as a basis for access to social goods. One important driver of monetization is households’ lack of independent access to the forms of “capital” denoted by three of the five sectors of the SLF’s “asset pentagon.” This renders them dependent on economic markets for basic needs such as food security. But monetization is also driven by other processes. Privatization and cost recovery policies enforced by the

adoption of IMF orthodoxies in South Africa have meant that more and more social goods are now subject to monetization. The shift away from paternalism into the broader rural off-farm underclass is clearly a shift that involves a greater degree of monetization. Access to services and social goods is no longer dependent on the precarious goodwill of a white farmer. It is (theoretically) a right and (practically) has to be paid for. This shift away from personal power relationships to the liberating anonymity and universal validity of money is of course empowering for those that have access to money – but it implies very real costs to those whose cash income depends on an uncertain and fluctuating seasonal labour market. Like colonial dispossession, monetization is a deeply entrenched trend, and will not be easy to reverse or even halt. Attractive as proposals from organisations such as the South African New Economics Forum (SANE) for the development of “community currencies” are, there is probably very little scope for shifting the massive centrality and urgency of poor households’ desire and demand for cash. At the same time, the impact of monetisation on some key households needs such as food security, energy, transport and other local government services can probably be minimised.

(3) In this context, this means that the social relations that link poor people into broader political and societal processes are dominated by *relations of patronage and clientelism*. A key aspect of these relationships is their fundamentally ambiguous and double-edged nature. On the one hand, these relationships are never *only* and *nakedly* about exploitation. They often involve a degree of protection or benefit for those who are caught within them, and they also involve a significant degree of “consent”, or at least a link with an underlying hegemonic ideology or discursive framework which is shared by both the more and the less powerful. On the other hand, they also involve significantly unequal power relations, a huge potential for exploitation and manipulation and ultimately work to undermine the social agency of the less powerful. Above all, they involve power *relationships*, processes of negotiation and accommodation in which both acquiescence and resistance, both acceptance and rejection, both brutal exploitation and accommodative negotiation, can play a role. Finally, because of all these features, they are not easily swept aside, and attempts at “modernisation” very easily lead simply to their re-invention or mutation under conditions of modernity.

(4) The implications and dynamics of monetization are importantly shaped by **remoteness and distance**. This is a central issue for those who are concerned with understanding small-town and rural poverty in South Africa. A simple initial theoretical observation: remoteness and distance are of course not simple geographic facts. They are invested with social significance and consequence by the way in which networks, institutions and systems link people to places. For households with relatively good access to physical and natural capital, the distance to Ceres and Cape Town is irrelevant; for those whose livelihoods and needs link them to those places, remoteness is crucial. How it affects them depends on the situation. Remoteness confers advantages and disadvantages depending on how households and individuals are inserted in these broader networks. For those with access to transport, it creates livelihood opportunities (transport, retail). For those without, it imposes costs. Above all, it links Ceres to its even more remote hinterlands: the Ceres Karoo and the Eastern Cape from which a steady trickle of desperately poor people arrive in the farmlands, willing to work for even lower wages.

(5) Closely linked to the social workings of distance, remoteness and contiguity is the development of **technologies of management and power**. Here, social researchers can probably benefit hugely from the theorists drawing from Foucault and, more recently, actor-

network theory. These theorists have explored the ways in which the workings of agency and social power are intricately interdependent with the development of complex “social technologies” which allow for the creation of new forms of agency and new contexts of negotiation and contestation. They have in particular called for a close look at the often invisible underlying enabling conditions and practices that lead to the empowerment of some people and the relative disempowerment of others. This provides an important perspective for analysing the kinds of social agency that is available, for example, to Department of Social Development officials, labour inspectors, social workers, NGO staff and fair trade activists, just to mention a few. In all these cases, much can be learned by looking at the integration and insertion of particular individuals or groups into much broader institutional and socio-technical apparatuses and management systems, and paying careful attention to how this makes certain kinds of action possible while ruling out others – and also it empowers some while marginalising or failing to empower others.

(6) A particularly important sub-category of the above is constituted by the **discourses and practices of government**. This involves looking at much more than policy and implementation. Rather, attention also needs to be given to the underlying assumptions and strategies within which policy and implementation is shaped – the “optic”, to use Scott’s term (1998) - within which poverty as a problem members of poor households are conceptualised and approached. In the South African context, this works in a paradoxical and complex way, functioning *both* as a potential condition for agency and a limit upon its scope. On the one hand, for instance, the transition from democracy has involved a substantial reconceptualisation of “subjects” as “citizens” and an insistence (e.g. in the Constitution) on enshrining all manner of social goods as basic rights. On the other hand, much of the social space for agency that might be possible in a democratic “citizen politics” is somewhat inhibited by the hegemonic conception of most poor people as passive “beneficiaries” and “recipients” of “delivery”. A similar contradiction is found in the discourse around “participation” in development and governance. While the insistence that poor people are to be seen as partners in development seems to create a huge potential space for “action from below” and a radical citizen’s democracy, the technical and institutional design of development projects often reduces “participation” to a depoliticised process, while key decisions are arrived at by “experts” and “consultants”. Both these processes are linked to the tendency to see development essentially as a technical and apolitical process.

This is an incomplete and fairly sketchy account of some of the key factors that shape livelihoods and agency for those who are incorporated into Southern African modernity on unfavourable terms. All these processes and institutions work to integrate poor people into the circuits and networks of “developed” society in ways that marginalise them, undermining their ability to control and impact upon the systems into which they are locked. And all of them are to some extent irreversibly and inextricably part of the social context in which policy has to be made. None of them can be easily discounted or swept aside. Above all, what they should illustrate fairly clearly is why it is necessary to move beyond any simple opposition between “inclusion” or “exclusion.” *Neither* a greater degree of inclusion in the South African job market *nor* dreams of subsistence-based independence from it capture the irreversibility of poor households’ incorporation in the broader monetized economy, the complexity of the power relations and institutions that support and undermine their strategies for survival and prosperity, or the dynamic nature of the processes of contestation and negotiation that shape the outcomes of particular interventions. Rather, fine-grained analyses and policy solutions have to be developed that are suited to the realities of life in this

intermediate terrain – policies that engage with, challenge and enlarge the space for poor people’s agency .

6 Policy implications and further questions

6.1 Dreams of globalization

Poor people’s agency, fine grained analyses, contesting and negotiating power relations: all very well for academic analysis, but what are policymakers to do? What directives, answers or suggestions can such analyses offer for those who have to solve practical problems in today’s South Africa (or further afield)? Granted that problems are complex and intractable – but why does any aspect of the above analysis matter for policymakers and practitioners whose main focus is on getting “good enough solutions” that will reduce suffering rather than aggravate it?

One answer is that the more nuanced and complex picture of the determinants and implications of poverty raises important critical questions about the overall direction of economic and development policy in South Africa. This framework has been shaped in very important ways by a wide range of underlying assumptions about the relationship between economic development, job creation, global integration and growth. Broadly, there has been a fundamental assumption that the most important way in which poverty can be alleviated is through the creation of jobs and employment opportunities in or at the margins of the formal economy. GEAR – the Growth, Employment and Redistribution strategy adopted by the democratic government after 1996 - is one of the most prominent examples of how these assumptions have informed government thinking, and so is the New Economic Partnership for African Development (NEPAD) – but they are merely the most prominent examples. Similar thinking also infuses Department of Labour attempts to find win-win solutions that link improved conditions for workers with increasing productivity, and the Department of Social Development’s vision of creating a “self reliant” society.

Though the focus on job-creation, income generation and entrepreneurship is certainly hegemonic in development thinking in South Africa, it is not the only one. Since 2001, increasing prominence and attention has been given to proposals for a universal Basic Income Grant (BIG). BIG’s proponents believe that the introduction of a R100 per person per month universal social grant will not only lead to net fiscal redistribution in favour of the poor but will, through relieving food insecurity, invest in poor households’ livelihood strategies and lead to a significant multiplier effect. Despite these arguments, the South African government is loath to commit itself to such an expensive course of action, partly, no doubt, because of the huge political risks involved. The policy debates around poverty eradication have therefore, by the early months of 2002 become polarised. While most government policy continues to be shaped primarily by a focus on income-generation and entrepreneurship, a significant section of civil society – most notably the Congress of South African Trade Unions (COSATU) – have grouped themselves around supporting proposals for a BIG.. The scope for any simple resolution of these debates is narrow – not least because arguments on both sides remain couched at very high levels of generality, and are driven by significantly divergent underlying assumptions about the desirable direction of socio-economic change, the nature of the free market economy and the interests of poor people. Can a close-grained analysis of poor livelihoods make a difference?

6.2 Beyond the policy narrows

Unfortunately, it seems that there are no simple answers. A consideration of some of the grim realities and underlying patterns revealed through looking at the persistence of poverty in a context like Ceres ultimately offers little comfort for the proponents of market-based development-through-growth, and only somewhat supports those who hope that massive transfers of wealth to the poorest of the poor through a basic income grant will make a significant difference.

(1) In the first place, an analysis of the processes of casualisation and externalisation that can be traced in the South African fruit industry offers little support to the arguments made by Natrass and Seekings about the dangers of centralised bargaining and high wages for job creation. Regardless of the general facts about the price sensitivity of the demand curve for labour, it would be hard to argue that rising wages can be blamed for the shedding of permanent jobs on the wine and fruit producing farmlands. The centralised bargaining mechanisms upon which Seekings and Natrass place the blame for these processes elsewhere in the economy simply do not exist in commercial farming in South Africa. Clearly, higher degrees of social regulation have played a role. But they cannot be seen in isolation. Ultimately, the wide-ranging trend away from permanent on-farm labour in the Western Cape is part of a deeper historical process – the end of racially based, authoritarian on-farm paternalism as it has existed since the time of the first Masters and Servants acts in the middle of the 19th century. Farmers' decision to shift to increasing levels of casualisation and externalisation is not a simple economic decision. It is politically and socially informed. It part of the end of one chapter in the history of racial formations in the South African farmland. The old traditions of white mastery cannot be easily sustained in the new South Africa. The discourses practices in which this mastery was embodied are mutating and giving way to more “modern” forms of exploitation and racial domination. The Extension of Tenure Security Act is part of that story, but it plays mostly a contributory role in a shift that has been gathering force for decades before.

(2) Secondly, an analysis of the dynamics of poverty and food insecurity in Ceres seem to offer significant evidence against the contention that low-cost flexible job creation will make a significant contribution in the reduction of poverty. Although that argument might be sustained when poverty is conceived narrowly and attention only focusses on the measurements of income, it runs into difficulties when the livelihoods of poor household members are considered in a more multi-dimensional way. Though seasonal labour increased households' average monthly income over the duration of the year, the very importance of that job market ensured that large numbers of households went hungry during the harshest months of the winter. Furthermore, that job market subjected households to significant degrees of risk, stress and exploitation. Those features were not accidental by-products of the imperfect functioning of the market. They were part of the way it was set up. The fact that harvesting jobs are impermanent, insecure and unpredictable is partly linked to farm owners' desire pass on and externalise the consequences of the risks and uncertainties of the harvest season. That insecurity also rendered poor households vulnerable to exploitation in patron client relationships sometimes significantly harsher than the paternalism experienced by on-farm workers.

(3) These difficulties are sometimes taken as evidence for the need for further regulation. One of the most important changes in the policy environment during 2002-3 is the introduction by the Minister of Labour of a sectoral determination for Agriculture. This

intervention created new and specific protections for seasonal workers, in effect forcing farmers to pay workers a full month's wage when they worked more than 26 hours per week. This legislation may have some potential to reduce some of the day-to-day unpredictability of employment in the seasonal agricultural labour market. There are however many imponderables affecting its medium to long term impact. Time will have to tell whether government manages to implement the legislation at all, whether employers are able to devise strategies that enable them to evade the legislation by consistently employing workers only for 26 hours, and whether this legislation accelerates trends towards mechanisation in the wine sector. Even if the legislation has its desired effect, however, it can do very little to address the stresses arising out of the fundamentally seasonal nature of employment in horticulture. In the long run, it may only serve to deepen the divide between "insiders" and "outsiders" in agricultural employment.

(4) The implications of households' exposure to risk and vulnerability also significantly undermine the potential of job-creation and income-generating schemes. Many of these require households to make significant investments of labour and time while promising only uncertain and distant rewards. They make households' ability to secure entitlements dependent upon their effective participation in an uncertain economic environment. This is not suited to the needs of poor households in Ceres who – like poor households everywhere – cope with stress and uncertainty by diversifying their strategies and hedging their bets.

Asking household members who already bear a huge part of the burden of the social reproduction of their households to invest significant numbers of poorly paid hours in a food garden income generation scheme in order to gain distant and uncertain rewards is to invite defeat (see Box 4)¹⁴. Very often what will drive these schemes is not any realistic hope about their eventual outcome, but the opportunities for local elites and power brokers to capture them and to use them to extend networks of patronage.

(5) Furthermore the survey in Ceres offers only limited comfort to the proponents of the Basic Income Grant. It may well be the case that the net transfer of funds towards poor people that such a grant would entail would reduce income inequality in South Africa, and would increase the numbers of households above the poverty datum. In Ceres, introducing BIG into the communities surveyed would increase the number of households above the official poverty datum line by 13%. Additionally, BIG would have a significant impact in the lowest income categories: it would triple the income of the lowest decile and double the income of the next lowest. But the analysis of patterns of food insecurity highlighted in Ceres suggest that the problem may be more intractable. The median income of those who avoided hunger in Ceres was R591 per month; rolling out the BIG would reduce the numbers of households below that line by only 6.7%. And increasing mean household incomes does little to address the many problems – particularly the great exposure to debt – that flow from households' dependence on the formal economy for many of their basic needs. There is a real danger that the money transferred to the poor does not circulate locally in the manner envisaged by the "multiplier effect" but are simply sucked up by large corporations and local power brokers.

This brings us to the crux of the argument. Low and uncertain incomes certainly play an important role in household poverty in Ceres. But those low incomes are only part of a more complex story. Chronic poverty in Ceres is not only reproduced and entrenched because jobs

¹⁴ Interviews with Keith Stuurman, 15 January 2003 and Faith Arends, 24 January 2003.

are poorly paid, insecure or scarce. To focus on those factors begs the question about why households are so dependent on those poorly paid, scarce and insecure jobs in the first place. The most important underlying factor shaping long-term poverty, in other words, is households' lack of direct access to the economic and natural resources for basic household food production. That fundamental lack renders households dependent on the formal, commercialised food system. It is in this context that the uncertain, scarce, and poorly paid nature of employment in Ceres becomes so important. There is very little available in the way of social safety nets and fall-back strategies. Instead, the dependence on and lack of cash lead households into a series of poverty traps. Lacking cash - and lacking easy access to alternative sources of credit, they often have to buy food on credit, in small amounts, or at higher prices, and easily fall prey to rapacious moneylenders. Households are able to survive, partly by relying on networks of mutual aid and support. Though these networks may enable some basic survival, they offer only limited protection against shocks, and in the long run, work to ensure that poor households are burdened with the task of supporting other poor households.

In June 2000 Witzenberg Municipality attempted to respond to local government's new obligation to develop an "integrated development plan" to address and combat the effects of poverty. Relatively little "participation" ensued; in practice most of the IDP was developed by CDC, a local consultancy firm. Part of the resultant development plan included an "economic regeneration package" that specified a number of possible "economic empowerment initiatives." One of these was a proposal for a vegetable garden which was to be run by a number of (male) prospective "small farmers" from Nduli and Bella Vista (CDC 2000).

Most of the ideas in the economic regeneration plan could not be funded by the Department of Provincial and Local Government, but four of the projects found favour with the Department of Social Services in the Provincial Administration of the Western Cape. One of these was the food garden. The Department however specified that the beneficiaries of the programme should not be the "small farmers" identified in the original application. Rather, it saw the programme as a way of addressing the social consequences of its own highly controversial rolling back of child support. Accordingly, rather than going with the initial proposed beneficiaries, the Department contractually specified that the target group for the programme should be "single, female heads of households with an income of R500 or less, with children under the age of eighteen who are currently enrolled at and attending school." Although local officials reputedly protested that a scheme premised upon the involvement of a target group who had not expressed any interest in small-scale farming would be disastrous, the Department was inflexible. Rather than lose the funding, local officials agreed to press ahead with the scheme.

Two groups of women were identified as beneficiaries, land was secured near each community, and the women involved in the scheme were given "training" in gardening, financial management and other personal skills. A bank account was opened for each group, and a trustee organisation set up. "Head women" were elected who would be in charge of production. The scheme was premised on the assumption that beneficiaries would be paid R100 (about GBP 7) per month in return for their labour (this amount was calculated on the basis of the value of the lost child support). They would then be entitled to take some of the produce for their own tables, and to sell the rest. In about two years, it was hoped, the projects would become self-sustaining, and beneficiaries would be able to finance their input costs entirely from the proceeds of their sales.

Not unsurprisingly, the project failed dismally. The women identified as beneficiaries showed little enthusiasm for the idea of doing agricultural work at such poor wages. During the harvest season, most of them simply opted for the much better paid work of fruit picking. Even during the off season, the numbers of women continuing to work in the garden steadily fell. At the time of writing, only 6 women are involved out of the original group of 200. And over their heads hangs a shadow. The financial checks and balances built into the organisational structure appear not to have worked, and there are allegations - in one case the subject of an ongoing criminal investigation - that some of the "head women" abused their position by recording "ghost" workers in order to take money from themselves. At the time of writing, the budgets for both projects have been exhausted, and the projects are farther from sustainability than they were when they started.

Box 4: The failure of a vegetable gardening scheme in Ceres

6.3 Addressing the underlying dynamics of Chronic Poverty

What, then, are the policy options open for addressing chronic poverty? There are no simple answers, partly because some of the simplest – such as large scale redistribution of assets in favour of the poor, for example – are simply not on the cards. It is necessary to go beyond facile calls for large-scale land reform - not because large-scale and radical land reform would be a bad idea, but simply because barring a Mugabe-style land grab (which may not benefit the poorest and weakest anyway!) land reform under current political and economic conditions in South Africa can do no more than tinker with the skewed racial distribution of land. The same is true of sweeping critiques of neoliberal orthodoxy, however accurate their fundamental assessment of global economic power relations may be. Whatever policy options are available have to be workable within tightly circumscribed bounds of possibility. The question is what measures can be taken that will engage more effectively with the core underlying dynamics shaping chronic poverty.

Here, the most important general observation that can be made is that there is a need for a broader and more multifaceted approach to poverty relief, poverty alleviation and poverty eradication. This flows partly from the need for policy interventions to be more targeted, and to start differentiating between *transitory* and *chronic* poverty. The above analysis should not be taken to mean that government should abandon income-generation and job creation projects, or that growing the economy is not a workable option. It simply means that not all poor household members will be able to benefit from these policy interventions. The focus on empowerment and encouraging entrepreneurship should not be abandoned, but it is necessary to recognise that chronically poor households are not well positioned to take advantage of these opportunities. The policy vision needs to be broadened out, so that a range of solutions appropriate to different kinds of need can be offered.

In particular, policy instruments and options should be designed that are geared towards addressing the particular realities faced by poor households and their members. The analysis of chronic poverty in Ceres allows us to compile a shopping list of some of the key issues that have to be addressed.

- They should address their lack of access direct and independent access to fundamental economic and social resources – the assets usually grouped in the “natural”, “economic” and “physical” sectors of the SLF’s “asset pentagon.”
- They should minimise their vulnerable and dependent position in local food systems;
- They should make it possible for households with little or no cash resources to access basic social goods in a sustainable way;
- They should work to supplement and support, rather than further burden, the informal networks, support systems and strategies of poor households and their members. A key element of this is addressing the gendered dynamics of household reproduction;
- They should address the vulnerability of poor households to exploitation in relationships of patronage – particularly where these relationships are based on poor households’ need for credit.

Most importantly, what is needed is for South African policymakers to revisit their underlying assumptions about sustainability and development in the field of social welfare. The requirement that households or individuals become financially self-sustaining and independent – particularly in a short span of one or two years – is simply not realistic. If a development or welfare initiative does not result in “self reliance”, that does not mean that it has failed. There has to be some acceptance that dealing with the consequences of chronic poverty in the medium term will require continuous and sustained subsidy and support by the fiscus.

6.4 Policy options for chronic poverty

Considering these core requirements makes it possible to identify some of the possible measures that may play a role in alleviating the implications of chronic poverty – and even allow some of the long-term poor to improve their situation. What follows is not a complete list, but a overview of some possible options:

(1) *Welfare reform:* One of the most obvious and important elements of a pro-chronically poor policy framework in South Africa is the development of a more effective welfare system. At present, welfare continues to be more effective than income generation schemes at impacting on poverty, but this impact is limited. It is important to note that the options for reform go well beyond the highly contentious matter of the Basic Income Grant. Fundamental underlying questions around take-up and delivery remain to be addressed. The recommendations of the Taylor Commission around the broadening out of child support (recommendations which were partly implemented at the end of 2002) and the abolition of means testing will clearly serve to reduce the obstacles faced by chronically poor people in gaining access to the social safety net. At the same time, it is important to realise that the rolling out and expansion of welfare will be limited in its effectiveness if steps are not taken to address the generally cash-hungry environment of the chronically poor. If welfare reform of whatever kind is not accompanied by measures that reduce the dependency of poor households on cash in order to access the basic necessities they need for survival, the monetary resource distributed to the poor will simply be recirculated back to government and to those who control the food system.

(2) *Food gardens and urban land reform:* Broadening the scope of agrarian and land reform to include a focus on urban food gardening is another important and under-utilised set of measures. For such measures to be successful it is however necessary to be more circumspect about linking such initiatives to small-farmer development, commercial agriculture and entrepreneurship. While such a link may be appropriate under some circumstances, the primary focus when working with chronically poor households should be increasing food security and reducing their dependence on the retail food sector, and in effect creating an alternative food system. Transfer of ownership in land is not a necessity here: rather, government should use municipal commonage as a social good. The schemes should be devised to ensure that individual households and household members can benefit directly, and they should include the recognition that forms of subsidy such as the provision of seeds and water will remain necessary over the long term. Independent self-sustainability should not be the be-all and end-all. It is also important to realise that the development of effective food gardens requires significant levels of support, and that support should not only include technical advice, but also creating appropriate forms of community organisation. As is

illustrated by experience elsewhere of community level organisation in the creation of alternative local food systems

(3) *Subsidies for basic social services:* One of the most important innovations in the years since 2000 has been the introduction of increasing levels of subsidy for basic social goods such as energy and water. Continuing to roll out these services and subsidies can make an important contribution to reducing the “cash-hungriness” of poor households’ environment. In the medium term, an important challenge will be finding ways of extending these subsidies and policies to local transport. Given the highly competitive nature of local transport industries and their intimate connections with the gangster underworld, this will be a conflictual and risky process.

(4) *Community organisation and social capital:* Policy and interventions should also be geared towards increasing the depth and density of community organisation, and encouraging the formation of self-help associations that allow poor individuals and communities to “empower” themselves and broaden the depth and scope of their social agency. As a measure of combating social exclusion, understood in the sense it has been used in this paper, it is absolutely crucial. It is also a slow process, and not without its problems. Key issues that need to be confronted in the development of social capital in poor communities is developing ways of working with and against the formation of patronage relationships, and engaging with the disempowering effects of patriarchal gender power relations. This will require more than simply identifying women beneficiaries or creating gendered quotas for the governance of community relations. It also requires strategies that allow poor communities and individuals to rework problematic and counterproductive conceptions of masculinity and femininity.

(5) *Local and provincial government reform:* Finally, steps need to be taken to reduce the political marginality of long-time impoverished communities and neighbourhoods. A fundamental requirement for democracy to become more empowering to the chronically poor is to address the systematic marginalisation and subaltern status of local government. In particular, it is necessary to resolve the contradictions of “unfunded mandates” – the foisting of significant developmental responsibilities on the local state without accompanying these with appropriate political structures and financial resources. In the long run, the picture here looks bleak, since the most important obstacle to effective local developmental government is not simply a lack of local capacity, but also the role played by provincial government.

7 Conclusions

An analysis of the livelihoods of the off-farm poor in Ceres has highlighted several key issues and redressed some important imbalances. In the first place, it has shown up the importance of going beyond narrow money-metric approaches and rather considering the multi-dimensional nature of poverty. In this context, the usefulness of the concept of “social exclusion” rather depends on the sense in which it is used. If we follow the lead of De Haan and see social exclusion as an *aspect* of multidimensional poverty, it focusses attention on the disempowering implications of poverty: how lack of access to natural and economic capital and the scarcity of paid employment work to undermine poor people’s ability to participate fully in society and limits their capabilities to secure entitlements. Care, however, needs to be taken when identifying policy initiatives to address social exclusion. This is so particularly when economic exclusion of one kind or another is seen in some facile way as a direct cause of poverty, and when our policy narratives start counterposing “exclusion” and

“inclusion” in simple ways. Social exclusion, as De Haan reminds us, is always part of a *dynamic* or a *process*. Considered closely, those processes are as often about adverse or disadvantageous *incorporation* and insertion as they are about exclusion in any simple sense. This requires that we understand, not only of household-level livelihood components, but the local, regional and global institutions, power relationships and processes that perpetuate and create that marginality. Ultimately, tackling chronic poverty requires tackling those power relations. Rather than narratives of “inclusion” and integration, it may be that what is needed are narratives of empowerment and differentiation.

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ENDNOTES

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** The names of some persons cited in case studies and examples in the study have been changed in order to conform to agreements entered into during interviews.