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Agricultural Policy and Agrarian Politics : A note on the
Marais-Du Plessis Commission on Agriculture

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AGRICULTURAL POLICY AND AGRARIAN POLITICS: A NOTE ON THE MARAIS-DU PLESSIS
COMMISSION ON AGRICULTURE.

This note focuses primarily on the second and third reports of the Commission of Inquiry into Agriculture.⁽¹⁾ In it I try to uncover some of the political sub-text concealed in the technical language of the report. The commission supported an extremely "reactionary" strategy towards agriculture in that its recommendations are opposed to any form of reform in the white sector in agriculture. As this sector produces about 95 per cent of the gross value of South African agriculture, and because the Commission's reports carried considerable weight among government decision-makers, it has important consequences for South African society.

Where agricultural reform is posited on the recognition of the value of land redistribution, income equalisation and democratic participation as well as matters connected with production, the Commission supports the concentration of control in agriculture in fewer hands, the direction of technical and financial assistance to increasing the productivity of white-owned estates, and the use of agricultural technology to reduce the labour force as far as possible. It exemplifies that form of strategy which focuses, to quote Phillip Raup, "on production considerations, in the apparent hope that drastic structural changes can be avoided..."⁽²⁾ That the Commission should neglect to consider land reform is not surprising: the objectives of social justice, political health, and agricultural output expansion "cannot be accomplished without drastic revisions of income distribution, social hierarchies, and alignments of political power."⁽³⁾ Such objectives are inimical with the maintenance of racial privilege and domination, and in particular with the maintenance of a white capitalist oligarchy on the land. Yet it is relevant to raise land reform as an alternative possibility for a programme directed to such ends might resolve many of the acute problems at present endemic in Southern Africa, including the limited development of internal markets, the imbalances in pressures towards industrial growth, the inhibition of a social base for a political democracy and coincidentally the problem of agricultural productivity.

The Commission's recommendations are reasonably clear: support for "economic" farming, including the extension and rationalisation of agricultural credit; discouragement of "uneconomic" farming, including the use of measures like the Stock Reduction Scheme to encourage owners of "uneconomic" units "to offer themselves for employment elsewhere and to withdraw from farming for shorter or

longer periods,⁽⁴⁾ and technical support for agriculture. Two limits were established to this process of eliminating "uneconomic" agriculture. The first was a series of recommendations aimed at discouraging the entry of commercial companies into agricultural production where this upset local agricultural interests.⁽⁵⁾ The second was a recommendation to assist "deserving" cases to become economically viable. Neither would, however, seem to blunt the central thrust of the Commission's recommendations. The first would have the effect of protecting local interests against competition which might force even "economic" farmers out of the industry. Support for "deserving cases" might take several forms, including enabling a farmer to consolidate sufficient land to establish an "economic" unit. It would seem to be directed to taking some of the political sting out of the strategy recommended in agriculture, and especially to provide a base for the patron-client relationships which are one element of rural politics.

The Commission's commitment to eliminating "uneconomic" farming reflected in some degree a change in official thinking about the position of whites in agriculture, though this can be seen in earlier measures as well. For instance, the parliamentary debate on the Agricultural Credit Act of 1966 reflected a desire among legislators to eliminate the belief in some quarters that state assistance was a form of outdoor relief.⁽⁶⁾

Ten years earlier, the Commission of Inquiry into European Occupancy of the Rural Areas, while recognising that many white farmers might be pushed off the land was of the opinion that "if the platteland could retain the number of Whites at present residing there and if they could be assisted to establish themselves on a firm basis, this danger ('Bantu predominance') could be averted to some extent, provided the number of non-Whites on farms owned by Whites could be reduced."⁽⁷⁾ This Commission seems to have aimed at maintaining a white yeomanry - a "sound, energetic and independent farmer-class"⁽⁸⁾ sustained by "technical aid and guidance" rather than dependent on government hand-outs. The Marais-Du Plessis Commission shared the view that white farmers should become independent, but clearly accepted that such an objective could only be secured by reducing the number of farmers. Unlike the earlier commission, it did not balk from encouraging "uneconomic" farmers to leave agriculture. This change in official thinking reflected a considerable shift in policy, and probably reflected a shift both in the balance of forces in the dominant political class towards urban and industrial interests, and also within agriculture towards bigger farmers. The change in official thinking raised a political problem of some proportions which both the United Party and the Herstigte Nasionale Party sought to exploit.⁽⁹⁾

(The HNP was established only a year before the Commission reported, but of course the faction on which it was built had been in existence for nearly a decade, and its roots lay deep in that strand in Afrikaner populist sentiment which asserted the interests of the "little" men of agriculture and industry.)

One of the arguments which the Commission developed to support its recommendations for a rationalisation in agriculture and a reduction in the number of whites on the land was that wide income disparities had developed. The commission saw a reduction in the rural population as a solution to this problem. South African governments have long been nervous of class divisions among whites precipitating political conflicts. The commission seems to have adopted as an explicit strategy what has long been a more or less "natural" consequence of the workings of the market - the elimination of the weaker elements in white rural society. The encouragement through the use of the carrot rather than the stick of lower-class whites to migrate out of agriculture may be seen as a device maintaining the hegemony of a class of capitalist farmers. Wealth is extraordinarily highly concentrated in this class. The 1966 report of the Secretary of the Inland Revenue Department revealed that only 0.5 per cent of incomes subject to income tax gained in agriculture exceeded R17,999 per annum - but that this group enjoyed nearly 4 per cent of incomes from agriculture. Individuals with incomes over R7,000 per annum constituted 6.66 per cent of persons assessed, and gained 28.07 per cent of incomes. Just under 80 per cent of individuals assessed received under R3800 - 43.96 per cent of incomes. The bottom half had incomes under R1600 and 15 per cent of all incomes. (These calculations are based on taxable incomes - i.e. after losses had been deducted from incomes. In the case of the top income group, these losses amounted to R1,460,000 - 25% of gross incomes.) Nearly one-third of agricultural and pastoral immovable property (30.1 per cent) and of rural immovable property (30.3 per cent) were concentrated in estates over R100,000, compared with 16.2 per cent of urban immovable property. The connection between the size of farms and their gross sales is also close - farms grossing over R50,000 had an average area of 3,647 morgen. The commission used this statistic as a base for its claim that larger farms were more "economic" than small farms. It might have also drawn the inference that the white agriculture is dominated politically and socially by a very small class of rural capitalists. This pattern of property and income distribution suggests that the class division in white agriculture is deeper even after the elimination of "poor whites" than is suggested by the commission, or indeed by political alignments in rural areas.

In part, the sort of remedy which could be adapted to meeting such political reactions lay at hand in the devices which had been established in previous legislation, and exemplified in the machinery of the Agricultural Credit Act of 1966 which consolidated measures governing agricultural credit. Applications for credit were channeled to the Minister or the Board established under the Act. The avenues to central government are committees in each magisterial district composed of the magistrate and a group of local farmers. These committees probably operate in favour of the kind of policy recommended by the Commission, and would thus secure two complementary objectives: (i) the concentration of effective power over agricultural credit by "economic" farmers, and (ii) the integration of this class into the administration of state policy and the mobilisation of ^{the} state into the patron-client relationships between rich and poor farmers. It would obviously require some research into the recommendations of these committees to substantiate these points and to discover the emphasis given to policy in particular areas, but it is likely that administrative procedures such as these provide the cement in an alliance between "economic" farmers and the state which at the same time are likely to reduce the possibility that reactions from disadvantaged groups might become bases for opposition parties.

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More broadly, the recommendations of the Commission indicate that Merle Lipton is probably right in suggesting that "white" agriculture has declined in political power relative to some other groups, but the link between the state and the most powerful elements in agriculture remain very close; indeed the administration of agricultural matters is probably firmly lodged in the hands of the agrarian upper class. The strength of such a class can only be enhanced by disarming criticism of the agricultural sector by the suggestion that it is "uneconomic" farmers who are a greater drain on social resources than "economic" farmers; it may have the additional advantage of legitimising the claims of "economic" farmers both on the resources of "uneconomic" farmers and on other social resources.

It is very difficult to assess the claims which are made by the Commission that the difficulties of white-dominated agriculture may be attributed to the presence of "uneconomic" (i.e. unprofitable) farming. State support for agriculture through price support systems, marketing, labour-supplying and other machinery, is so integral to white agriculture that a case could probably be made for distinguishing "economic" farming from "uneconomic" farming in terms which emphasise the success of the former in gaining access to controls within the political support system as well as the managerial skills and personal qualities which the Commission emphasises.

It is likely that this support system operates in favour of "economic" farmers, particularly access to credit facilities. It is frequently the case that the poorest farmers are unable to take advantage of state assistance in developing resources because they do not possess the requisite capital to qualify for such assistance. Thus it is a little ingenuous on the part of the Commission to assume that it is the "uneconomic" farmers who constitute the most important claimant on social resources. It would seem that the essential prerequisite for diagnosing the weak areas in agriculture is the development of some notion of the social costs of particular agricultural sectors and regions, and even individual units which could be balanced against the social benefits accruing not only to the individual farmer, but also to agricultural labour, consumers, industry and government, including housing, health and other authorities. It is only on the basis of such an inventory, based on criteria other than profitability, that an adequate strategy could be based.

It is also important to look beyond the apparent benefits of export-oriented agricultural sectors, as this frequently obstructs possibilities of development in the weaker sectors of agriculture (in South Africa, the peasant sector). More important, some estimation is required of alternatives to the estate system in agriculture which the commission assumes without argument should be maintained. It is so widely accepted in analyses of agriculture that long term benefits can be secured from land redistribution that it is interesting that the Commission did not even review the land reform literature. Given that no programme of land reform is at present on the agenda does it really matter whether or not an already oligarchical land-owning class is further entrenched? Merle Lipton has argued that "advanced capitalism" (i.e. favouring the rise of skill-intensive labour and the expansion of the internal market) in both industry and agriculture seem to be the major pressure both for dislocation and for reform of the feudal, serf-like conditions of agricultural workers in South Africa"⁽¹⁰⁾ and that "efficient, profitably-run farms could well co-exist with, and even derive advantages from, the reformist option."⁽¹¹⁾ Moreover, would not a strategy of eliminating "uneconomic" farming eliminate also the most reactionary political force in the South African electorate?

The real point, surely, is that a white-dominated agriculture, whether highly productive or not, whether constituting around 100,000 units as at present, or about two-thirds of that number are equally likely to maintain policies which require a reactionary political force to prop them up. It is not the size of this community, nor the extent of its wealth or its productivity per se which constitute the problem, but its existence as an oligarchy controlling a major resource through its intimate relationship with the state (stitched together at

many levels of government) which constitutes the central problem. The elimination of the lower strata in white agriculture is not likely to weaken, but to consolidate the political links between the commanding heights of the rural economy, the State and the dominant interests in other sectors. The encouragement of a better-trained labour force on the land might lead to increased wages and greater productivity, but, in combination with an emphasis on labour-saving technology and the lack of effective bargaining power on the part of agricultural workers (with the roots of this weakness in the absence of universal political rights), such a development is likely to encourage sharp stratification in rural society, and the direction of the population thus rendered superfluous into industrial employment. It is not clear whether industry has the capacity to absorb such displaced groups adequately, or that even if it did, such a resolution to South Africa's agrarian problems would be the optimal one.

More broadly, there is a fallacy in regarding agriculture as an activity comparable to industry which can take advantage of economies of scale, specialisation of function, etc. The weaknesses which have emerged in Soviet agriculture have been attributed to the attempt to model agricultural production on industrial lines. It is possible that the problem of land-extensive and capital-intensive agriculture under private ownership has generated similar problems in South Africa.

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FOOTNOTES:

- (1) Respectively RP 84/1970 and RP 19/1972.
- (2) P. Raup, "Law Reform and Agricultural Development", in H.M. Southworth and B.F. Johnstone, Agricultural Development and Economic Growth (Cornell University Press, 1967) page 270.
- (3) Raup, *ibid.*
- (4) RP 19/1972, page 34.
- (5) *Op.cit.* page 69.
- (6) Cf. for instance, Assembly Debates, August 11, 1966, Volume 17, Columns 565 - 572.
- (7) Commission of Inquiry into European Occupancy of the Rural Areas An. 865 of 1960, page 58.
- (8) *ibid.*
- (9) M. Lipton "White Farming in South Africa", Journal of Commonwealth and Comparative Politics, XII(1) March 1974, pages 56-7.
- (10) *Op.cit.* page 56.
- (11) *Op.cit.* pages 57 and 52.