



BRICS Initiative for
Critical Agrarian Studies



RANEPA
THE RUSSIAN PRESIDENTIAL ACADEMY
OF NATIONAL ECONOMY
AND PUBLIC ADMINISTRATION

The 5th International Conference of
the BRICS Initiative for Critical Agrarian Studies

[New Extractivism, Peasantries and Social Dynamics: Critical Perspectives and Debates]

Conference Paper No. 48

Agricultural Investments in South Africa and The Agrarian Question of Labour

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13-16 October 2017

Russian Presidential Academy of National Economy and Public Administration (RANEPA)

Moscow, Russia

Organized jointly by:



COHD 人文与发展学院
College of Humanities and Development Studies (COHD)



Universidade de Brasília



With funding support from:



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October, 2017

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Agricultural Investments in South Africa and The Agrarian Question of Labour

Brittany Bunce¹

Abstract

Joint Ventures (JVs) between agribusiness companies and 'customary landowners' in the former homeland reserves of South Africa are fast becoming the preferred route in attempts to integrate the latter into the competitive commercial agriculture sector. This paper explores the possible implications of this model for social reproduction, accumulation dynamics and patterns of social differentiation. The Agrarian Question of Labour provides a framework to interrogate what appears to be a contradiction in some cases, between the dynamics of capitalist farming and the demands of social reproduction experienced by fragmented classes of labour. I will illustrate this with reference to a comparative case study of two 'sharemilking' JVs, in Keiskammahoek and Shiloh, which are located in a former homeland in South Africa's Eastern Cape Province. The cases illustrate how the same business model is producing quite divergent outcomes. They both show evidence of a crisis tendency of social reproduction, although in quite distinctive ways. In Shiloh many homesteads are subject to an intense reproductive squeeze and immense conflict is emerging in the wake of the JV. On the contrary, Keiskammahoek is revealing some cases of accumulation by homesteads. Some of the key factors explaining these differences are the wider crisis of unemployment, narratives of belonging which shape conflicts over landownership and access to wage labour and historical processes of class formation.

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1 Introduction

Much of the existing literature on agricultural investments has failed to explain the full significance of these interventions in terms of the questions of interest to agrarian political economy. Populist representations of agricultural investments framed predominantly as ‘land grabs’ and understood as struggles between ‘predatory capital’ on the one hand and ‘homogenous communities’, ‘peasants’ or ‘small farmers’ on the other, obscures the messier reality of local politics on the ground. Neoliberal representations of agricultural investments as ‘win-wins’ if only strong and equitable contracts can be put in place (Vermeulen and Cotula, 2010), ignores the inherent dynamic of exploitation in capital/labour relations. Both of these approaches tend to treat communities as homogenous and thus fail to elicit relations of power and dynamics of social differentiation.

This paper proposes rather making use of Bernstein’s (2009) Agrarian Question of Labour, which provides some ‘conceptual handles’ in understanding class dynamics of agrarian change in the context of agricultural investments. The Agrarian Question of Labour is used to frame the discussion of what appears to be a contradiction in some cases, between the dynamics of capitalist farming inherent to the JV model and the demands of social reproduction experienced by ‘fragmented classes of labour’.

I will begin by describing the JV model of agricultural investments and summarise different approaches taken in the literature to understand the impacts on agrarian formations. I then consider an alternative conceptual framework embedded in the agrarian political economy approach. I explore whether considering questions of capital and labour may further assist in analyzing the significance of Joint Ventures. I argue that the proliferation of these investments in the context of South Africa do not signal a return of the agrarian question of capital as Oya (2013) has suggested. Instead I make use of Bernstein’s (2011) agrarian question of labour and the concept of social reproduction to explore the full significance of JVs in the context of my case studies.

The paper presents empirical evidence from two different rural localities where ‘sharemilking’ joint ventures have been implemented by an agribusiness firm by the name of Amadlelo Agri, to reveal in general quite divergent outcomes. I argue that although there is evidence of accumulation among a minority of homesteads as well as contributions to livelihoods through jobs and dividends, the conflicts that arise in the face of these schemes have created intense fragmentation within communities and homesteads. This is endangering the ability of people to reproduce the social networks and cultural meanings central to social reproduction, understood in its fullest significance (Chung, 2017; Vogel, 2000). Gender relations, livelihood strategies and divisions of labour must be renegotiated at inter and intra-household level. The long-term implications of how these investments are reorganising social, economic and cultural life and work are perhaps more significant than the more obvious effects of loss of control over land and the labour process (Mackintosh, 1989).

2 Conceptualising Joint Ventures: Investments or land grabs? Questions of capital or labour?

Joint Ventures: Investments in rural development or land grabs?

Joint Ventures are one of many ‘inclusive business models’ in agriculture that aim to involve poor people in agricultural value chains as owners, producers and/or employees. JVs typically involve collaboration between ‘agribusiness’ investors and local ‘small farmers’ (Vermeulen & Cotula, 2010) or people with existing land rights (Mayson, 2003). Other inclusive business models include contract farming, management contracts, lease contracts, tenant farming, sharecropping, farmer-owned business and other upstream and downstream business links. These various models aren’t neatly separated, as it is common for models to overlap and be combined into hybrid forms (Vermeulen and Cotula, 2010).

In order for the business model to be considered 'inclusive' it should not only involve collaboration but should also have a specific concern for fair, equitable and sustainable terms of agreement. However there is skepticism over the extent to which inclusive business models like JVs can be regarded as fair or a holistic solution to rural development and agrarian reform. Research typically highlights how by their very nature, they connect two sets of players- 'smallholders' and agribusiness- who meet at the table with radically different negotiating power (Vermeulen and Cotula, 2010).

There has been a tendency in much of the literature on agricultural investments, across theoretical paradigms, to focus merely on whether relations are 'inclusive' between agribusiness and communities/ small farmers. However this obscures the reality that 'communities', 'small farmers' or 'households' themselves are often not 'inclusive' spaces and are subject to relations of exploitation. They are not homogenous but are rather socially differentiated in complex ways along class, gender, generational, racial, ethnic and other lines of social identity (Bernstein, 2010; Berry, 1993; Peters, 2004). I argue that ignoring this fact, albeit sometimes with the good intentions of protecting communities from the exploitation of agribusiness and governments, is obfuscating the more significant impacts of how JVs are precipitating a reorganization of social life and work.

Since around 2005, JVs have become the norm in South African land and agrarian reform, especially in the case of high-value land restitution cases (Lahiff et al, 2012). They are also becoming a prominent model to revive agricultural production in the communal areas of the former homelands. However the success of the model to date is questionable. Research has shown that many JVs in South Africa have struggled to takeoff and end up collapsing after major losses for both strategic partners and communities (Lahiff et al, 2012; Vermeulen and Cotula, 2010; Tapela, 2005; Aliber and Maluleke, 2010; Davis, 2014; Cousins and Gumede, 2017).

While more recently, research conducted mostly by consultants, public servants or institutions closely affiliated to government or agribusiness, praise the potential 'win-wins' of the model (Pieterse et al., 2016; Strydom, 2016; De Villiers & Van den Berg, 2006). However these studies employ dubiously rigorous methods and/or take the shape of a political offensive to win support for the Department of Rural Development and Land Reform's overwhelming (and many would add misplaced) emphasis on JVs to 'transform' the agrarian landscape. This is a specific vision of 'transformation' which has been limited by government's historical 'social compact' with agribusiness, that has structured the direction of reforms since the democratic transition in 1994 (Bernstein, 1996/8).

Beyond the South African case there is a vast literature on 'land grabs', which also explores agricultural investments like JVs (along with other models of production) across Africa, Asia, South America and elsewhere. Oya's (2013) systematic scoping of the 'land grab' literature from its inception around 2007 until mid-2013 however highlights several methodological issues and analytical gaps, especially in relation to the claims of socioeconomic impacts. He also notes that the research has had very little focus on the implications of the 'land rush' for the questions of concern to agrarian political economy. This is in part due to Marxist scholars not having engaged much, until more recently with the topic. There have however been more recent attempts to employ an explicitly political economy framework in investigating the so-called 'land rush' (Hall et al., 2015).

The most prolific authors on global land grabs have however been agrarian populists, who tend to oppose capitalist development regardless of the outcomes for local people. The resulting literature thus tends to create crude caricatures of capitalism and reproduces unhelpful binaries such as a predatory capital (the baddies) versus homogenous peasants (the goodies). Literature has also tended to be overly descriptive and has had a misplaced emphasis on the processes around establishing land deals, the content of contracts and governance challenges around negotiating deals (Oya, 2013).

The focus on 'getting contracts right' or on 'governance issues', clearly aligns this type of literature with the good governance approach of the neoliberal agenda. It ultimately 'renders technical' investments in land and puts a veil over the politics of land deals which are laden with unequal power

relations (Murray Li, 2007). The political nature of the alliances drawn between capital and the state to target and enclose the land of rural people are overlooked by this approach (Murray Li, 2011/4). Moreover the assertion that the socioeconomic issues facing rural communities in the wake of these investments can be explained by the absence of technical measures, ignores the fact that decent livelihoods for classes of labour have historically been hard won through struggles waged on the political front between different social classes (Borras and Franco, 2012).

Much of the literature has focused on the tension between the possible livelihood opportunities being generated by land deals on the one hand and the threats to existing livelihoods (Oya, 2013). An important point of clarification is that these are not entirely newly created livelihoods or production systems, which can be easily associated with the intervention. These investments articulate in complex ways with preexisting political and economic systems and processes of rural differentiation. The central question, however not easily answered given how complex and fungible livelihood sources are, is whether this transformation amounts to a sustainable improvement or not (Hall et al., 2015; Cotula, 2013).

Authors like Oya (2013) and Murray Li (2011) suggests that the outcomes of land deals for labour should be our central concern. Access to land is thus important, only in so far as it forms a crucial source for livelihoods. Given the context of generalised commodity relations under capitalism, the rural poor have no hope in surviving merely through access to small plots of land (Bernstein, 2010). Murray Li (2011) also emphasises the need to look both at the impact on people who are displaced by land deals as well as those not displaced but whose livelihoods may be transformed by a changing agrarian context. This means understanding the nature of the agrarian capital that is forming in the wake of land investments and whether it is providing more and better employment opportunities for the rural poor. This is quite contrary to the rights-based discourse on access to land which commonly overlooks whether it supports labour or not but it is more concerned with the inherent value of the land rights themselves (Oya, 2013).

Conceptualising Joint Ventures: Agrarian questions of capital or labour?

The Agrarian Question of Labour speaks to a crisis of social reproduction, which is rooted in a scarcity of employment under modern capitalism. In order to meet simple reproduction classes of labour are compelled to diversify the forms of labour, types of employment and self-employment, across both urban and rural spaces under increasing exploitation and precarity (Bernstein, 2011). Many people are also compelled to (re)turn to the land to meet part of their reproductive needs, heightening struggles over land. This compels a focus on how the broader crisis of employment scarcity under modern capitalism is at the core of struggles over land, its use and its meaning (Arrighi and Moore, 2000).

We must also remember, as Bernstein (2011) aptly warns, that these struggles, due to the ways in which labour is fragmented, typically are part of broader social and political struggles of classes of labour outside the countryside and so are not wholly focused on agrarian questions per say. Struggles emerging in the context of JVs and any evaluation of their impact need to be embedded within this wider context of agrarian change. In most rural areas of the Global South, homesteads would be best characterised as ‘fragmented classes of labour’. Once ‘pure’ forms of landed property, agrarian capital and agrarian labour fit awkwardly with the messy social realities and overlapping spaces people locate themselves in to pull together their livelihoods. The focus of research should be getting to grips with the class basis of these struggles and how they interact with other aspects of social difference such as gender, kinship, ethnicity and generation (Bernstein, 2011).

The challenge is in theorizing the ways in which class difference relates to other aspects of social difference. Marxist feminists have typically struggled to explain the way in which these multiple oppressions and privileges are experienced perhaps sometimes as distinct relations and at other times as a part of a social totality in different spaces in society and in the home. ‘Intersectionality feminism’ provides a useful way of understanding social differentiation. It emphasizes how different aspects of

social difference are produced and continually reproduced in a dynamic relationship with each other (Ferguson, 2016).

Making use of the conceptual framework of the agrarian question of labour entails an acknowledgement of Bernstein's (2011) claim that the agrarian question of capital has been resolved on a global scale². Very schematically, the argument contends that accumulation in agriculture³ is no longer significant to industrialization. Agrarian transition⁴ is no longer a *necessary* condition for the development of capitalism. For Bernstein the Agrarian Question of Capital is resolved on a global scale, despite the fact that these questions may not have been resolved on a national scale in many countries in the Global South. Given the reach of globalization and the financialisation of capital, so central to the workings of modern capitalism, there are now alternative sources of accumulation outside of agriculture.

In any case, it has been proposed in South Africa that the agrarian question of capital has been resolved, for white capital at least (Bernstein, 2013). In terms of the problematic of 'production'⁵ in South Africa, capitalist relations of production are firmly established in agriculture. Moreover dairy farming appears to be an exaggerated example of this general tendency, which includes the extreme concentration of land and dairy herds under a few highly productive capitalist farmers⁶ (Midgley, 2016; MPO, 2015).

Bernstein's claim that the agrarian question of capital is no longer relevant is however subject to intense debate among political economists. Byres (2003), for example, contends that the agrarian question of capital is still relevant and that Bernstein's claim runs the risk of 'world system determinism' and ignores the importance of 'national capitals'. Oya (2013), questions whether the recent proliferation of research suggesting we are witnessing a 'land rush' in investments in agricultural land, may signal the renewed relevance of the question of capital. He proposes that the emerging evidence (although admittedly unreliable) of capital dispossessing the peasantry, possibly contradicts Bernstein's (2006) proposition that the agrarian question of capital has been resolved and is no longer relevant. Oya (2013) also points out that although transitions to capitalist agriculture may no longer be a *necessary condition* there is evidence across Africa to illustrate that transitions to capitalist agriculture are occurring on a large-scale.

Oya (2013) proposes some interesting questions to guide further research and to determine whether questions of capital are finding renewed significance:

1. Does the land rush represent merely speculative investment in land with limited potential for accumulation and transformation of African agrarian systems?
2. Does it represent 'external forces of accumulation' driven by global capital but at unprecedented levels?
3. Are 'national capitals' a critical force in these investments, beckoning a renewal of the agrarian question of capital?

² The argument is described in depth elsewhere and will not be revised here, see Bernstein (2009; 2011), Oya (2013), Byres (2003), Akhram-Lodhi and Kay, (2009) etc.

³ Bernstein (2006) in engaging with Byres' (1996) work on the classical agrarian question emphasizes three 'problematics', which are the problematic of 'accumulation', 'production' and 'politics'. The problematic of (industrial) accumulation' builds on the work of Preobrazhensky (1965) and is concerned with the contribution which capitalist agriculture can make to the emergence of industrialisation through the transfer of a surplus from agriculture to industry, contributing to accumulation and the emergence of capital (Bernstein, 2006; Byres, 1991; Akhram-Lodhi and Kay, 2009)

⁴ In the classical sense of the emergence of landed property, agrarian capital and labour (Bernstein, 2010).

⁵ This investigates the extent to which capitalism has penetrated the countryside and agriculture and what class relations remain an obstacle to it (Kautsky, 1899; Lenin, 1899; Byres, 1991; Lerche et al., 2013; Akram-Lodhi & Kay, 2009).

⁶ In 1994 there were around 9000 dairy farmers but only 1683 remain today (LACTO Data, 2016).

I find these questions useful in thinking about the significance of JVs to agrarian change and in establishing whether questions of capital retain some explanatory significance or indeed whether our view should shift firmly to questions of labour. The empirical research presented here on JVs would indicate that these investments do not however signal the renewed significance of agrarian questions of capital in the South African context.

Firstly, the investments are not merely speculative as has been documented elsewhere. However their potential for accumulation is nonetheless limited. There are a few cases of homesteads accumulating on a limited scale but most are struggling to meet simple reproduction. These investments are having a profound affect on agrarian formations in the sense that livelihoods, social relations and labour systems need to be renegotiated at inter and intra homestead levels. This does not however amount to the type of 'transformation' that Oya (2013) is referring to here. These 'agrarian'⁷ formations, located in the former homelands, have long been strongly integrated in circuits of commodity relations. Prior to the JV being implemented, capitalist relations of production characterized the organization of these irrigation schemes and underpinned the livelihood systems of homesteads and so the investment has not precipitated a transformation in this 'world historical' sense.

For Oya's (2013) second question, if these investments represented external sources of accumulation by global capital possibly being invested in JVs, this could support Bernstein point on the resolution of the question in developing countries through external sources of accumulation. There are definite ways in which these 'national capitals' are connected to global circuits of capital however this is challenging to research and to discern. My research was not able to sufficiently investigate the financial flows underpinning these investments to confidently answer this question. This remains a point of interest and should be the focus of further research to understand the full significance of these investments as they relate to the wider economy and character of capital accumulation.

My impressions from interviews with agribusiness however, is that 'agriculture' on its own is no longer very profitable. To maintain a hold on precarious and shrinking profit margins it is necessary to do the following: 1) diversify within the value chain (vertical integration up and down the value chain), 2) to have investments in different sectors within agriculture (e.g. dairy, macadamias and piggeries for Amadlelo Agri) 3) it is preferable to have investments outside of agriculture as well or at least access to investors who do, 4) to access land and conditions of production which allow you to accrue a 'differential rent'⁸. For example, the milder coastal regions of the country have become crucial to farming competitively in the dairy industry. Access to scarce irrigation, particularly gravity irrigation where one doesn't have to pay the price of pumping water also means you produce more cheaply than other capitals, 5) Finally, without government investment it is not possible to enter the dairy value chain and become competitive because of the concentrated and highly capitalized nature of dairy farming.

Amadlelo Agri has done all of the above and thus the impression is that these JVs represent a mix of both accumulation strategies within agriculture and also represent external forces of accumulation outside of agriculture, possibly linked to global circuits of capital. It is common for JVs in South

⁷ 'Agrarian' is highlighted here since the particular history of these social formations involving the forced removal of black South African's from urban and peri-urban areas, obscures classical notions of the 'agrarian', 'rural' or 'countryside'.

⁸ A differential rent is accrued in contexts where differing soil fertility, access to water and varying applications of capital allow individual capitals with access to superior conditions, to produce at lower prices than the 'socially necessary price of production' and therefore generate a surplus profit which is payable as rent. The price of production in agriculture is determined by the average socially necessary conditions of production and thus those with access to above average conditions will make surplus profit above the average rate of profit. Landed property would however usually intervene to appropriate this surplus profit as differential rent (Patnaik, 1983). In the absence of 'rents' being paid to landed property, in a JV this may be accrued as part of the profits, some of which will accrue to the agribusiness partner instead of all of it being directed to the landowners.

Africa to include investments in land and farming by ‘*agrarian capital beyond the countryside*’, essentially by urban businesses looking for new opportunities for accumulation or seeking to legitimize their industrial investments by participating in corporate social responsibility in the land and agrarian reform sector. Amadlelo Agri is no different with significant shares owned by Vuwa Investments (an empowerment company), which has a 35.1% stake and a very diverse investment portfolio⁹.

These ‘external sources’ of accumulation are however mixed with historical trajectories of accumulation in agricultural and current strategies of agrarian capital to adapt to the new landscape of agriculture in the context of land reform. For example, if we analyse the character of agrarian capital we see that many of the 50 white dairy farmers who make up a significant proportion of the shareholders of the company, would have benefitted from previous processes of accumulation *inside* of agriculture. Here I refer to historical processes of settling the ‘agrarian question of capital’ in South Africa, whereby white farmers were the beneficiaries of a state-led project of ‘accumulation from above’ in a Prussian type path (Morris, 1976)¹⁰.

Finally, regarding the role of ‘national capitals’ in these JVs, they are a crucial force in these investments however I don’t believe that this signals the return of the agrarian question of capital. As mentioned, national agrarian capital has benefited from historical trajectories of accumulation and entering into JVs is a strategy for ‘surviving’ in a changing context with the threat of land reform. JVs thus provide a way to protect existing capital and potentially engage in expanded reproduction. A key incentive of sharemilking is that it is a way to avoid tying capital up in fixed assets and to rather accumulate large herds of valuable dairy cows for the lucrative rental market. JVs are therefore in my view not indicative of new processes of the emergence of national capital, in the way Oya’s (2013) question is intending.

This engagement with Oya’s (2013) suggested research questions seems to signal that agricultural investments in South Africa are not indicative of a renewed significance of the agrarian question of capital. The agrarian question of labour therefore would provide more useful and appropriate conceptual handles. In that case, the next obvious question is, what contributions can land and agrarian reform play in terms of addressing the crisis of social reproduction for classes of labour in South Africa? Many authors question its role in the radical restructuring that is ultimately needed for this huge task (Bernstein, 2013; Cousins, 2015). In spite of the significant role that the land and agrarian questions played in the historical establishment of capitalism in South Africa, Bernstein (2013) suggests that they are likely to play only a modest part of the solution moving forward. Bernstein asserts that what is needed to improve the wellbeing of South Africa’s rural and urban classes of labour is a much broader and “radical political and macroeconomic project centred on public investment and redistribution”, in which land and agrarian reform will realistically play only a minor part.

If this is the case then what can we realistically expect from land investments? They certainly are not going to resolve the crisis of social reproduction for classes of labour and creating unreasonable expectations to this effect will only heighten conflicts already witnessed in the face of many JVs across the country. Access to land does however remain important as a strategy among others in meeting reproduction, especially given rising unemployment. So what we should be asking is what types of social relations of production and what specific types of commodities will maximize the

⁹ Their investments interests are described as follows: “Transactions may include typical BEE deals, the provision of growth capital, buyouts, greenfields, brownfields, property and occasionally debt notes...Our many success stories are drawn from diverse economic activities including mining, hotel groups, healthcare, agriculture, aviation, construction and many more.” (Vuwa, 2017)

¹⁰ Rather than a productive agriculture providing a surplus to industry, in South Africa it was the other way. Accumulation occurred in the mining sector, which gave a boost to agriculture since there was an increased demand for agricultural commodities from a growing home market and state subsidies.

number of desperately needed jobs? Crucially these production systems must be cognitive of the importance of maintaining wider social networks integral to livelihood systems in communal areas and be sensitive to gender dynamics at inter and intra-homestead levels.

Central focus of research: The social reproduction of classes of labour

Social reproduction is understood as the “creation and recreation of people as cultural and social, as well as physical, beings” (Vogel, 2000). As such it goes beyond the unpaid ‘care-work’ which Marxist-feminists have highlighted to include the maintenance of human beings in their full set of social relations including as members of communities, in networks of kinship, marriage, gendered relations and other religious and cultural associations (Cousins et al., forthcoming). Social reproduction takes place in various different spaces from the household level to the market and also with assistance from the state. Meeting social reproduction involves various labour processes, which are both unpaid and paid, communal or individual and material and symbolic or involving both mental, emotional and manual labour (Chung, 2017; Vogel, 2000).

Social reproduction should not be seen as something relegated to the private sphere or reduced to the ‘unpaid care economy’ and as such something separate from the ‘commodity economy’ (Chung, 2017). The political-economic aspects of social reproduction also involve the reproduction of certain labour related skills and social and cultural behaviors and practices, which ultimately reinforce class and other types of social difference, essentially reproducing labour-power and class society (Katz, 2001; Vogel, 2000; Farris, 2015) but it is also the sites of contestations and struggles over meaning with uncertain outcomes.

Capitalism as a mode of production internalizes a ‘crisis tendency’ of social reproduction in two senses. Firstly, sustained capital accumulation relies on the social reproduction particularly of labour-power. Secondly, the constant striving under capitalism for sustained accumulation uproots the very process of social reproduction it is conditional upon (Fraser, 2016). The point is that this tendency is not only a threat to the social reproduction of classes of labour but also to the continued reproduction of the capitalist mode of production.

This crisis tendency may be witnessed at a broader scale in society but its tendencies may also manifest in cases like joint ventures that introduce new social relations of production. A JV may displace the labour regimes of previous petty commodity producing homesteads with a single capitalist farming entity. Seen from this perspective, this not only changes their control over the means of production but may also have the effect of uprooting people from the means by which they maintain their social, economic and cultural practices, networks, knowledge and memories, which are intimately connected to accessing land. This process transforms livelihoods, seen in their fullest totality, in ways which lead to the renegotiation of inter and intra-household relations, particularly of gender, class and generation (Chung, 2017).

Sarah Berry (1989) has shown in her work the centrality of investments in social networks to meeting social reproduction in African agrarian formations. She demonstrates how even in times of crisis or scarcity, individuals and homesteads will continue to invest in various social networks as a means to secure future claims to land, labour and other resources. Some researchers have regarded these strategies as ‘unproductive’ use of labour, land or other resources. However this ignores the ways in which access to the means of reproducing human life are negotiated in many agrarian social formations. The idea of social reproduction allows us to take account of the multiple values and uses of land and labour in maintaining life in its fullest economic, social and cultural forms. It also allows for gender relations to be placed centrally in defining people’s relationship to land and as a key signifier of power where much of the literature on land grabs and agricultural investments has been ‘gender blind’ (Chung, 2017).

3 A comparative case study: Amadlelo Agri sharemilking Joint Ventures

The case studies I look at are located in the ‘communal areas’ of the former Ciskei homeland,¹¹ in South Africa’s Eastern Cape Province. The legacy of purposeful underdevelopment of these areas and enduring poverty is an important context to keep in mind. The JV model is being used as one such strategy to address this, although its outcomes and the models appropriateness are subject to intense contestation.

Land tenure in the former Ciskei represents a ‘patchwork’ of different forms of tenure, a unique legacy of the Ciskei homeland. In some areas there are more traditional forms of ‘communal tenure’ involving a central role for traditional leaders but there are also patches of freehold title, quitrent tenure¹² and land owned by communal property associations or trusts (Kingwill et al., 2015; Wotshela, 2014; Switzer, 1993). Communal tenure¹³ in South Africa can be understood as ‘mixed tenure’, since land is officially owned by the state (but held in trust for the community) and so legally communities only have a secondary right to reside on and use the land (Cousins, 2000; Kingwill et al., 2015).

In practice, as the Keiskammahoek case study illustrates, even where land is owned privately, the legitimacy of land rights continue to be subject to social and political dynamics and negotiated through a complex web of social networks based on membership to various, nested social groups (Berry, 1993; Moore, 1998). What is at issue with the JV model is that these communal plots are being converted into large-scale capitalist enterprises with significant implications for local livelihood strategies and the ability of homesteads to reproduce these social networks.

Research design and methodology

My research questions entail a longitudinal analysis of livelihoods and land rights and use. The current status can be revealed through the livelihood survey and other means of qualitative enquiry. I relied on a mix of existing research, my own life-history interviews and what historical records I could obtain to understand livelihoods prior to the intervention¹⁴. I am however cautious as to what conclusions can be drawn as it is difficult to separate the impact of the JV a part from numerous other impacting factors.

A key methodological question is whether the impact of these JVs on livelihoods should be judged according to prior livelihoods before the intervention. However adopting this approach entails an acceptance of the appalling track record of these irrigation schemes both during Apartheid and in post-Apartheid South Africa. There is wide acknowledgement that the democratic government has also failed dismally to support communities with access to land on irrigation schemes (Van Averbeke, 1998; Holbrook, 2007/ 2008; Bembridge, 1997).

¹¹ There were 10 homelands or bantustans. They are a legacy of the 1913 and 36 land acts, which reserved 13% of the land for black South Africans. The Ciskei was one of four homelands that became ‘nominally independent states’ and was designated for the Rharhabe Xhosa.

¹² The history of Quitrent in the Ciskei originates from the 1830s in the colonial era as a form of individual land tenure provided to a minority of African people, especially West of the Kei River on the mission lands of Middledrift, Victoria East, Keiskammahoek, Amathole Basin and King Williams Town. Residential and arable land could only be sold with official approval and inheritance was based on male primogeniture, thus enforcing a patriarchal and inflexible system of land rights. It however played an important part in the development of a ‘nascent African middle class’ (Wotshela, 2014).

¹³ Communal tenure can be defined as “a degree of community control over who is allowed into the group, thereby qualifying for an allocation of land for residence and cropping, as well as rights of access to and use of the shared, common pool resources used by the group (i.e. the commons)” (Cousins, 2000; 152).

¹⁴ There is no space in this article for a historical analysis of the two irrigation schemes, which is explored in my forthcoming PhD thesis.

This kind of approach to analyzing the impacts of an agricultural investment has led to the kind of arguments frequently made by agribusiness¹⁵, that prior to the intervention the land was ‘unused’ or ‘under-utilised’ and by extension that ‘livelihood opportunities’ (even if marginal) have been created where little or nothing existed before. However, if we use the lens of social reproduction, which entails considering the multiple values of land to the social, economic and cultural reproduction of homesteads then the question of the impact of the JV becomes far more complicated than a comparison of livelihoods prior and after an intervention. It is for this reason that I make use both of quantitative data on livelihood sources with rich qualitative data that speaks to causal links and the nuances of how the JV is impacting on relational aspects.

My fieldwork amounted to six months in the field over a period of 16 months beginning in September 2015 and ending in December 2016. It included a large-scale household survey involving 141 homesteads, 103 interviews or life histories and 2 focus groups. Additional fieldwork was also conducted on another four JV arrangements in the Ciskei, and two other Amadlelo Agri JV farm, which contributed to general insights but were not included as in-depth case studies.

In this study the unit of analysis are homesteads divided into different ‘groups’ who relate to the JV in distinctive ways. The main groups used to sample the population for the livelihood survey are ‘landowners’ (receiving only JV dividends), ‘labourers’ (receiving only JV jobs), ‘labourer/landowners’ (receiving JV dividends and jobs) and ‘other community members’ (who do not benefit from JV dividends or jobs).

The Amadlelo Agri sharemilking JV model

Amadlelo is an agribusiness firm whose stated mission is “to contribute to transformation by creating profitable, sustainable, black empowered Agri Business”.¹⁶ They have established seven dairy joint venture farms in the Eastern Cape and KwaZulu-Natal Provinces¹⁷. Amadlelo Agri’s shareholders include: Vuwa Investments (an empowerment company), which has a 35.1% stake, Amadlelo Milk Producers Investment Company, (owned by 50 white commercial farmers) which has a 49.9% share and the Amadlelo Empowerment Trust (500 workers from the 50 commercial farms) who own a 15% share.

At the level of JV farm operations, Amadlelo Agri’s model involves complex governance arrangements, which differ across farms. The two JV farms, which form the focus of this research, however are run as sharemilking entities. These entities have a farm operating company in the form of Trust, which is governed by representatives from Amadlelo Agri and the cooperatives, which represent the customary landowners. Amadlelo Agri adapted the 50/50 sharemilking model from New Zealand (Blunden et al., 1997; Pepper, 2013; Gardner, 2011; DairyNZ, 2015). At the farms essentially the community (through government investment) brings the fixed assets to the business including the land, irrigation and the milking parlour, which are owned by the cooperative or trust that represents the landowners. Amadlelo Agri brings the cows¹⁸ and other movable assets and they also manage the labour process on the farm. The profits are then split on a 50/50 basis between Amadlelo Agri and customary landowners affiliated to the cooperatives, after a 10% management fee is deducted, which is also conditional upon profits being made by the farm.

Unlike in New Zealand where costs of maintaining these assets are strictly separated, at the Amadlelo farms operating costs are shared and paid for by the JV farm operating company as a joint account.

¹⁵ Here I refer not only to Amadlelo but in general to strategic partners involved in agricultural investments in South Africa, as this is a common discourse used to legitimize investments and at times poor livelihood outcomes.

¹⁶ See: <http://www.amadlelo.co.za/>

¹⁷ They also have investments in a piggery and macadamia JV projects in addition to the dairy JV farms.

¹⁸ The majority of their cows are rented from commercial farmers however in the long-term Amadlelo Agri plans to buy out their leases to own their own livestock.

Costs of replacing assets or of further capital investment, however, remain separate. Amadlelo Agri reports that government investment in fixed assets across all of their projects to date has amounted to R197 million (€12, 5 million), while they have invested R 92 million (€5,8 million) in dairy animals and movable equipment. Government has claimed that the model exploits the community because of the relatively higher value of the land and other fixed assets opposed to the value of Amadlelo Agri's investment. Amadlelo however maintains that the costs involved in managing the complex dynamics involved in a communal farming operation, the biosecurity risk to their cows and the costs of replacing movable assets, means that in reality the investment of the respective parties is even.

An important focus of the project is to train and mentor black farm managers, including providing work experience for diploma graduates as part of their course requirements. Amadlelo has been successful in facilitating the entrance of new black managers into a sector dominated by white commercial farmers and farm managers. This has been the most obvious positive and uncontroversial impact of their JV model. Amadlelo Agri encourages its farm managers to accumulate cattle and shareholders in Amadlelo have stood surety for two managers interviewed to take loans to purchase heifers. One female farm manager has accumulated 92 dairy animals over the last 8 years while another male manager has accumulated 160 dairy cows over 9 years. The rentals from their dairy herds provide significant passive incomes for managers. In regards to the managers therefore, the Amadlelo Agri model is providing some opportunities for accumulation. The Keiskammahoek case will also illustrate how a few landowners are accumulating in a similar way.

An overview of some key features of the Joint Venture farms

After conducting preliminary research at a number of these farms I decided to focus on two, to ensure a depth of research. These farms are the Keiskammahoek '7 Stars Trust' established in 2010 and the 'Shiloh Dairies Trust' established in 2011. Keiskammahoek involved an investment from government of R54 million (€3.6 million) and at Shiloh R30 million (€2 million). This doesn't however include the movable assets, which were contributed by Amadlelo Agri and where the amount invested was unobtainable.

Table 1. Case studies: comparative table of key features

Name of Farm	Government funding	Hectares of land	Herd size	Land tenure	Size of plots owned	Dividends in 2015/16 (mean)	Number of Landowners	Number of permanent labourers
Keiskammahoek , '7 Stars Trust', 2010	R54 million (€3, 6 million)	750	2000	Private title, deed of sale & municipal	12-20 hectares	R110, 000 (€7400)	35	50
Shiloh , 'Shiloh Dairies Trust' 2011	R30 million (€2 million)	450	900	Customary allocations	+ 1 hectare	R2096 (€144)	395	26

Both of these farms have been established on existing irrigation schemes set up during Apartheid in 1976 in Keiskammhoek and in the mid 1960s at Shiloh and revitalized in 1979 under the Ciskei homeland government. Both of the schemes had fallen out of full commercial production, although to differing degrees. The similar contexts and time frames allow for some common features that ease a comparison. They however differ in a few fundamental ways.

The Keiskammahoek farm is a patchwork of tenure regimes including landowners with private titles and also municipal land. At Shiloh all the landowners hold their land as a customary right. The size of land owned by homesteads at Keiskammahoek (ranges between 12-20 hectares each), and is much larger than Shiloh (+- 1 hectare each). In the 2015/16 financial year, beneficiaries at Keiskammahoek got a median of R110, 000 (7400 Euros) each. At Shiloh, on the contrary beneficiaries received R2096

(144 Euros) but with a lot of variation reported. The differing benefits are in part a function of the size of the beneficiary group and scale of production. In Keiskammahoek 2000 cows are kept on 750 hectares and are supporting 35 landowners. This sharply contrasts to Shiloh where you have 900 cows on 450 hectares supporting a huge beneficiary group of 395 homesteads.

At Keiskammahoek 50 permanent jobs have been created and 26 at Shiloh. At both farms because of the high demands for jobs in the area and the need for the farm to legitimize its use of 'communal land' they employ more labourers than a regular commercial dairy farm would. As a reference Keiskammahoek employs 1 worker for every 40 cows and Shiloh 1 worker for every 35 cows. At Schoonfontein¹⁹ sharemilking farm, which is operated by a different strategic partner and not located in the communal areas, the ratio is 58 cows to every worker. This farm is operating at a very similar scale to Shiloh. When you look at sharemilkers operating white commercial farms in the Eastern Cape, the ratio is even less. On three different farms operated by the same sharemilker I found a mean ratio of 1 worker for every 62 cows with the sharemilker rotating labourers across nearby farms to save on labour costs²⁰. Given the competitive and highly concentrated dairy industry in South Africa there are questions around the long-term feasibility of this from the logic of capital.

Spatial representations of accumulation and crises of social reproduction

These maps of the irrigation schemes at Keiskammahoek and Shiloh and the densely populated surrounding villages give a sense as to why agrarian questions of labour feature strongly. Given the particular history of forced removals involved in the formation of South Africa's former homelands, homesteads maintain strong linkages to urban areas. These 'rural settlements' appear more like displaced urban townships, obscuring classic notions of 'the countryside' or 'rural people' (Murray, 1987).

Many respondents expressed the violence exerted on the social fabric of the community by the astonishing spectacle of hundreds of hectares of fenced green pastures, latest technology in rotary dairy parlours and the numerous high value dairy animals, amongst the extreme poverty of the locations of both Keiskammahoek and Shiloh. This was especially glaring since research took place during one of the worst droughts the country has experienced in decades. The contradictions this evokes are erupting into conflict in more obvious ways in Shiloh but nonetheless bubbling under the surface in Keiskammahoek. The reported acts of seemingly senseless vandalism against the farms, like the amputation or butchering of dairy cows in fields, can be explained by these tensions and crisis of social reproduction. The Agribusiness partner themselves is aware of this tension, demonstrated in the following statement: "I was criticized the other day, someone saying this is a diamond on a coal heap but what am I supposed to do, nothing?"

¹⁹ Schoonfontein is sharemilked by South Africa's largest dairy farmer (Grasslands Dairy Trust) who facilitated the redistribution of land to 49 labourers across its 12 commercial dairy farms. Grasslands is now the sharemilker for these labourers however the model is run strictly according to the New Zealand model, according to a strict separation of both maintenance and ownership of fixed and movable assets and sharing of the milk cheque and not the profits, which the farmer perceives to be fairer for the landowners (own interview).

²⁰ All of these farms had rotary dairy parlours except for one using a herringbone system, generally requiring more labour to milk, so variations in the factors and means of production are unlikely explanations for such radically different employment of labour. As one indication one white commercial farm under a sharemilking agreement was milking 800 cows, 320 has with a rotary dairy parlour milking 54 cows at a time (very similar conditions to Shiloh) but only hiring 13 people which is half the amount of labourers at Shiloh.

Figure 1. Keiskammahoek irrigation scheme and surrounding settlements



The above map of Keiskammahoek (the village is outlined in red on the map) gives a sense of the levels of inequality present in this community. This is most visually expressed by the extensive irrigated fields, which are owned by only 35 homesteads and juxtaposed by the densely populated surrounding settlements. Some of these landowners still live on their properties within the bounds of the pasture fields, which typically include between one and three residential structures. This speaks to the history of land consolidation under these 35 landowners after neighbouring farmers were squeezed out from an original group of more than 100 farmers that settled on the scheme from 1976 onwards under the Ciskei regime.

There are shortages of grazing land in this area and in the first years of the farms establishment, community members would frequently cut the fencing to let their livestock on to the pastures, which caused serious challenges for the biosecurity of the farms dairy herd. The local community often refers to the landowners as ‘settlers’ since many originate from other parts of South Africa. The legitimacy of their rights to the land are frequently questioned, framed by discourses of belonging and membership to customary groups, which endure in-spite of the title-deeds these farmers hold.

Conflicts over land at Keiskammahoek have also taken the form of struggles by previous labour tenants, some of whom have already been removed²¹ to make way for landowners (moved off the scheme in cases where the new centre-pivots were erected near their properties) and new labourers working on the JV farm. Although this conflict has been officially resolved through a court-case that ruled in favour of the 7 Stars Co-operative, this remains an area of contention. The homesteads received alternative accommodation in the form of government housing however these were much smaller residential properties and without access to the large homestead gardens and irrigation they were previously afforded.

²¹ Key informant interviews concluded that eight homesteads have been removed so far and that there are an additional four homesteads who will be removed once the municipality provides them with alternative housing. The labour quarters is generally referred to as ‘four rooms’ because each property is comprised of four rooms whereas many of the government ‘RDP’ houses comprise of either a single or two room property.

Figure 2. Shiloh irrigation scheme and surrounding settlements



The landowners and labourers live in residential plots in Shiloh (indicated on the map in red). Lower Shiloh, is nestled alongside the sprawling and densely populated Sada Township, a historical site of relocation during Apartheid's forced removals. Sada is the site of a collective land claim by Shiloh residents led by the traditional leader. The Claimants contend that Sada was their customary grazing land and the traditional leader intends to use the land to extend the pastures for the dairy farm. This conflict plays out in the distribution of benefits from the JV farm because residents from Sada are not eligible to apply for jobs.

Even within the 'landowning' group, who are receiving dividends and jobs from the JV, there are contestations over who the 'customary landowners' are. There are various factional groups within Shiloh and within the landowners that are built around complex and overlapping social identities. One such oppositional group from amongst the landowners raised questions regarding the number of legitimate 'landowners' and claims that many people are receiving dividends even though they are not 'landowners', as the quote below suggests.

“278 people own the dairy who are supposed to get money ... But because of corruption there are 395 who are getting the money. There is a fight in this village about this, some of those top members of Mayime Cooperative are not even landowners.”

Despite several attempts to receive a list of landowners from the Mayime Cooperative, I was unsuccessful. Historical records²² of the Shiloh irrigation scheme however refer to 334 hectares owned by 278 landowners, which was pooled together to form a group farm. A central unit managed the land on their behalf and they received a share of profits. These 278 landowners also received ¼ hectare food plots to meet homestead subsistence. Additional homesteads also received food plots bringing the total number of 'farming households' with access to food plots to 558²³. Some of the additional beneficiaries receiving dividends appear to be from these additional food plot holders since the JV farm has extended from an initial area of 330 hectares to a total area of 450 hectares after renting food plots²⁴. Although the claims of some homesteads receiving dividends without being landowners

²² Report prepared by consultants Loxton, Hunting and Associates in November 1979 who were commissioned by the Ciskei Marketing and Development Board to develop a plan to revitalize the Shiloh Irrigation Scheme (in Averbek, 1998).

²³ “The 113,75 ha of food plots consisted of 280 plots (70 ha) allocated to (278) land right holders and 175 plots (43,75 ha) part of which were allocated to people who lost arable land when Sada Township was developed and the rest was offered for rent to households who did not have land rights.” (Averbek, 1998)

²⁴ These landowners receive annual rentals of R600 (as of November 2016) for their food plots. Some homesteads in the survey reported only receiving R600 while others received various sums (Median of R2096) for a dividend and food plot rentals.

through patronage to the traditional leader or corruption couldn't be fully verified, they shouldn't be ruled out as a possibility either.²⁵

In addition to the group farm and the food plots, historical records and field research also refer to 15 commercial dairy farmers with access to 4has each (Van Averbek, 1998). These 15 farmers are not receiving JV dividends from the farm and have since lost access to their 4has. Some lost access to their land when the irrigation scheme was vandalized following the liquidation of the Ciskei parastatal Ulimocor. A few managed to hang on to their land in spite of alleged attempts on the part of both various factions in the community and the state to displace them. However they have subsequently been relocated with the establishment of the JV²⁶. This group of 15 form an additional 'opposition group'. Their claims for restitution are directed foremost at the state rather than at Amadlelo Agri. However the states continued failure since 1994 to resolve their dispossession of both land and the means of production (particularly dairy animals owed to them) has meant that in desperation their frustrations have shifted focus to the JV and Amadlelo Agri at times.

These capitalist farming ventures thus face a complex challenge in operating in contexts where the legitimacy of rights to and use of land are constantly contested by numerous overlapping claims. Although there is evidence of livelihood benefits from these JVs in the form of the creation of much needed jobs, dividend payments and some limited opportunities for accumulation. They have also entailed dispossession and exploitation for other individuals and groups.

Social differentiation and asset groupings in Keiskammahoek and Shiloh

One method in which the material position of different homesteads was measured was to gather data on asset ownership; considered to be a more reliable proxy for homestead wealth. This data on household assets was gathered using extensive methods through the use of a homestead survey. The asset groups are however merely 'taxonomic groups' or statistical categories which are important only as a starting point to identify patterns of social differentiation among households but do not in themselves attempt to represent class categories. Class is understood as foremost having a 'relational quality' underpinned by capital/labour relations which must be investigated through intensive methods which reveal how groups relate to one another causally or structurally (Sayer, 1992). I therefore made use of in-depth interviews and life histories to explore the relational aspects underpinning social differentiation. Interestingly I found that there were correlations between these taxonomic groups and the relational aspects of capital/labour relations. This was particularly the case in regards to patterns around hiring of labour which were almost exclusively found in the Middle-Rich and Richest homesteads in Keiskammahoek and concentrated in the Richest homesteads in Shiloh.

When the weightings for each homestead are divided into quartiles, four asset groups emerge: 'Poorest', 'Middle-poor', 'Middle-Rich' and the 'Richest'. Tables two and three below capture how different categories of respondents fall into the asset quartiles. The quartiles are established separately in each community. The asset percentiles in Shiloh (27; 38; 46) are slightly lower than in Keiskammahoek (31; 40; 54). This illustrates the on average lower asset endowment of the Shiloh sample and the more extreme reproductive squeeze.

²⁵ It is recommended that such an investigation be carried out directed by government, since the Mayime Cooperative was not willing to share lists of beneficiaries/landowners or other documents and reports. The immense secrecy and distrust during research may also reflect the nervousness on the part of the cooperative because of a on-going court case led by an oppositional group. On the contrary in Keiskammahoek this information was easily accessible since there is not the same level of conflict and mistrust among the landowning group.

²⁶ Some received alternative housing from the JV scheme and others directly from the state, all farmers were unsatisfied with their residential properties which do not include land to farm.

Table 2. Asset groupings in Keiskammahoek by category of respondent

Keiskammahoek Asset Groups				
Category of respondent	Weighting of assets	Frequency/ homesteads	Asset Quartiles	Asset Quartile percentage
Landowner/ Community Owner	36	1	Middle-Poor	12.5
	42-50	4	Middle-Rich	50
	54-64	3	Richest	37,5
	Total	8		
Labourer/ Landowner	16	1	Poorest	9.1
	36-37	4	Middle-Poor	36.4
	41-42	2	Middle-Rich	18.2
	56-87	4	Richest	36.4
Total	11			
Labourer	15-29	6	Poorest	28.6
	36-40	5	Middle-Poor	23.8
	41-51	5	Middle-Rich	23.8
	56-87	5	Richest	23.8
Total	21			
Other Community Member	22-31	7	Poorest	46.7
	33-38	4	Middle-Poor	26.6
	50-53	2	Middle-Rich	13.4
	54-63	2	Richest	13.3
Total	15			
Total Sample:	55			

There are noticeably different patterns of wealth distribution between the different categories of respondents in each site but also differentiation within these groups. In Keiskammahoek there is no 'poorest' grouping in the landowner group and only one female-headed labourer/ landowner homestead is classified 'poorest'. On the contrary in Shiloh none of the labourer/landowners fall into the 'Poorest' category whereas 18.2% of the landowners do. I found that the landowners in Shiloh are in a qualitatively different class position to those in Keiskammahoek. In Shiloh there is a lot of competition among landowning homesteads for JV jobs. The strategy of working on the farm seems to take the Shiloh labourer/landowners out of extreme asset deprivation. In Keiskammahoek on the other hand, the landowners are in general 'better off' than the labourer/landowners; except for a few homesteads in the Richest group who are in management positions on the farm and show evidence of accumulation of livestock and assets.

Many landowners in Keiskammahoek are merely passive recipients of JV dividends. There is a minority however using their dividends to accumulate livestock and other productive assets. However money is fungible and so it was not always possible to determine whether it was the dividend or access to other incomes (wage-employment, pensions or savings etc.) that was being invested in own-account farming. Some of these activities involved the sale of surplus to markets²⁷ particularly rearing pigs, broilers and goats²⁸ and vegetable farming in large homestead gardens, which are sold directly to the local community or to the local supermarket or butchery.

A minority have also used their dividends to accumulate dairy cattle, which are rented to the JV and generating significant incomes. The quote below from a Rich Landowner homestead speaks to case of accumulation. However life history interviews revealed that this homestead has a much longer

²⁷ The amount reserved for homestead consumption versus sales differed across homesteads. However in the Middle-Rich and Richest homesteads I found pig and chicken businesses where the majority or all of the animals were sold.

²⁸ Goats are also important to the Ceremonial economy in the Ciskei and are commonly sold for ceremonies. Homesteads may also choose to accumulate their own herds rather than selling so they can be used for their own ceremonies which are central to social reproduction of the homestead in its full social and cultural life.

trajectory of accumulation and class formation extending beyond the JV. During Apartheid this landowner worked as a policeman for the South African Police service. At the peak of the riots in the 1970s he decided to leave the police service and apply for land on the irrigation scheme. He managed to save a considerable sum of money during his employ with the state, received a payout upon his resignation and still receives a state pension to augment the dividends he receives from the scheme. Since money is fungible and labour is fragmented in the ways described by Bernstein and others, it is difficult to separate the impact of the JV from other sources of income.

“I started with 10 cows in 2013 and through the calves I now hire 20 dairy cows to the (JV) business. When we started 7 Stars some people sold their cows but they used that money for other things. I decided to save that money and buy more cows for the business. This is the most important income source, I get R600 per month for each cow and I get paid at the end of the year. If I can get more money I will want to extend my cows.”²⁹

Table 3. Asset groupings in Shiloh by category of respondent

Shiloh Asset Groups					
Category of respondent	of	Weighting of assets	Frequency/homesteads	Asset Quartiles	Asset Quartile Percentage
Landowner/Community Owner	Valid	8-26	4	Poorest	18,2
		33-37	5	Middle- Poor	22,7
		39-46	6	Middle- Rich	27,3
		48-86	7	Richest	31,8
		Total		22	
	Missing	99	1		
	Total		23		
Labourer/Landowner	Valid	35-38	4	Middle-Poor	40
		39-46	3	Middle-Rich	30
		57-78	3	Richest	30
	Total		10		
Labourer	Valid	12	1	Poorest	11,1
		30-35	2	Middle-Poor	22,2
		42-43	2	Middle- Rich	22,2
		60-66	4	Richest	44, 5
	Total		9		
Other Community Member	Valid	10-26	10	Poorest	50
		29-34	5	Middle- Poor	25
		39-43	5	Middle-Rich	25
	Total		20		
	Total Sample		62		

In Shiloh you don't see the same kind of accumulation occurring in farming. Most of the Middle-Rich and Richest Landowners and Labourer/Landowners meet their livelihoods outside of farming through access to civil servant positions, formal jobs and self-employment with labour. These were however also common income sources in Keiskammahoek among these asset groups which were used as a strategy in conjunction with (or invested in) accumulation in farming.

The difference in livelihood strategies in these two sites is a part a reflection of the way in which larger holdings of land were historically accumulated in Keiskammahoek prior to the JV. In Keiskammahoek landowners had been farming their land and continuing to target formal and informal markets (to different degrees) up until the JV was implemented. Whereas the majority of landowners in Shiloh reported having abandoned the use of their land on the irrigation scheme between 1994 and 1997 when the Ciskei was reincorporated into a democratic South Africa. Access to wage-labour thus

²⁹ Interview 105 with 'Richest Landowner', 19.10.2016

become comparatively more critical for the reproduction of these homesteads. In Shiloh most landowners have given all of their irrigation land (3/4 hectare) and food plots (1/4 hectare) over to the JV scheme. Most homesteads were not located on the irrigation scheme, having their fields and food plots separated from their homesteads, which means that most have retained only small yards and they do not have access to water from the irrigation scheme for own-account farming. Access to water was a common area of contention among landowners in Shiloh. The visible representation of this was evident in the drought-stricken homestead gardens and emaciated animals found around landowner homesteads glaringly juxtaposed alongside the green pastures of the JV.

On the contrary because the Keiskammahoek farmers had accumulated such large plots (12- 20 hectares) and their homesteads are located in amongst the pasture fields³⁰, most have maintained 1-2 hectares which is used for own-account farming. Landowning homesteads thus have much better access to land and water for own-account farming compared to Shiloh. This was however an area of contention with some homesteads claiming that those with positions on the JV farm operating Trust or 7 Stars Cooperative disproportionately received free electricity, access to water and fencing. Those without access to fencing and water can't keep livestock on their properties due to biosecurity threats posed to the JV dairy herd and keeping homestead gardens is also a challenge. Thus dynamics of local politics and power influence livelihoods and class formation in Keiskammahoek even though it's presence is more subtle than the more explosive context of conflict in Shiloh.

The poorest percentile is concentrated in the 'other community' group in Keiskammahoek accounting for 46,7% of homesteads, followed by labourers with 28.6%. In Shiloh the 'Other Community' group is also worst off with 50% categorised as 'Poorest' and notably no homesteads falling into the 'Richest' category. In both sites the 'other community' homesteads located in the Poorest and Middle-Poor homesteads, tended to survive almost entirely off social grants at times with access to public works programmes being an important income source. Many homesteads have migrant labourers on the mines, working as private security guards or as domestic workers who remit when they can.

Those in Middle-Rich and Richest positions tended to have access to waged employment, government jobs, including as teachers or nurses in public facilities or access to public servant pensions. Differential access to dividends and jobs on the JV may play a role in explaining the large numbers of Poor and Middle-Poor in the other community group but longer trajectories of consolidation of land and the means of production and the ways this intersects with class formation, including access to waged employment so central to livelihoods in these areas, would intersect with the impacts of the JV in complex ways.

The 'Labourer' homesteads in Shiloh have less homesteads located in the two poorest categories than the Landowners. This illustrates the importance of wage-labour in Shiloh to livelihoods in a context where social reproduction is being squeezed and access to land based livelihoods has been eroded. Labouring homesteads in Keiskammahoek have the most equal distribution across the different asset percentiles and they are clearly better-off than the other community group. In both sites it is noticeable that the labouring group should have relatively large proportions of Middle-Rich and Richest homesteads. This in part reflects the way that this statistical group was categorized in the research. A homestead was only understood to be a 'labourer/landowner' if they had direct rights to the land³¹

³⁰ The homesteads of some farmers had to be removed to make way for the construction of new centre pivots for the irrigation. In these cases they have been allocated new homesteads by the JV.

³¹ Rights to land in communal areas are layered and nested and thus it is difficult to assign a 'right to land' to a single homestead or individual. However the affect of a Joint Venture is that it tends to affect this kind of understanding of land rights in ways that individualise communal rights, usually in a male homestead head or elder widow. Exploratory research in Shiloh also revealed that the rights to the irrigation plots had been assigned to 'single homesteads' in Shiloh. The same is the case in Keiskammahoek where there are private titles as opposed to customary rights in Shiloh. In Shiloh if a member of a paternal homestead moved out of the landowning homestead e.g. a female sibling when marrying, then they usually lost the rights to decisions around the land and access to the dividend. Customs regarding inheritance of land tend to be conferred onto elder male

being used by the JV and were directly receiving a JV dividend. Many of the ‘labourers’ are however related to the landowners in various relationships of kin. In both sites however there was not a single one of the sampled homesteads who reported receiving a portion of the JV dividend in the form of transfers in money or kind. The primary claims these ‘labourer’ homesteads made on the landowning homestead thus tended to be preferential access to jobs on the JV.

Impacts of JV jobs on social reproduction

Tables four and five below outline the contribution of JV jobs to homestead income. It is evident that these jobs in general make quite significant contributions, although with some variation across homesteads and between the two case study sites. At Keiskammahoek for ‘labourer/ landowners’ the median contribution for permanent jobs is 17% and for ‘labourers’ it’s much higher at 42%. This speaks to a historical process of class formation, whereby the landowners not only have access to land but also to a more diverse set of income sources.

Table 4. Keiskammahoek: contribution of permanent and casual JV jobs to homestead income

Keiskammahoek: JV Permanent and Casual Jobs as Proportion of Total Homestead Income							
Asset Groups		JV Permanent jobs as % total homestead income	Frequency/ homesteads	Asset Groups		JV Casual jobs as % total homestead income	Frequency/ homesteads
Labourer/ Landowners (all asset groups)	Mean (%)	0,16	8	Labourer/ Landowners (all asset groups)	Mean (%)	0,09	3
	Median (%)	0,17			Median (%)	0,05	
Labourers (all asset groups)	Mean (%)	0,41	18	Labourers (all asset groups)	Mean (%)	0,17	4
	Median (%)	0,42			Median (%)	0,11	

In Shiloh for both groups, JV jobs contribute more to overall homestead income with a median of 34% for ‘labourer/landowners’ and 50% for ‘labourers’. This illustrates the finding that homesteads in Shiloh are subject to a more intense reproductive squeeze with less available wage-labour outside of the JV and fewer cases of landowners or others accumulating in farming. There is still differentiation between labourers and labourer/ landowners in Shiloh but not to the extent as Keiskammahoek. The contribution of casual jobs to homestead income is much less in both sites. This reflects the relatively short-term nature of these jobs. The higher contribution to the labourer/landowner group in Keiskammahoek as compared to Shiloh speaks to the presence of skilled casual jobs in this group.

Table 5. Shiloh: contribution of permanent and casual JV jobs to homestead income

Shiloh: JV Permanent and Casual Jobs as Proportion of Total Homestead Income							
Asset Groups		JV Permanent jobs as % total homestead income	Frequency/ homesteads	Asset Groups		JV Casual jobs as % total homestead income	Frequency/ homesteads
Labourer/ Landowner (all asset groups)	Mean (%)	0,34	10	Labourer/ Landowner (all asset groups)	Mean (%)	0,01	2
	Median (%)	0,32			Median (%)	0,01	
Labourer (all asset groups)	Mean (%)	0,56	9	Labourer (all asset groups)	Mean (%)	0,53	2

members of homesteads. When refers to the homestead member receiving the dividend

	Median (%)	0,5			Median (%)	0,53	
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This data seems to indicate that these jobs make significant contributions to homestead incomes, especially among ‘labourer’ homesteads where they usually come to form the largest and most stable income source. The nature of dairy also means that there are more formal jobs created as opposed to seasonal and informal jobs more common in other sectors of agriculture. Amadlelo pays minimum wage³² to all of their ‘general workers’³³ who are permanently employed and those in management positions receive competitive salaries and other benefits.

If one employs an unbiased analysis, free from the ideological stance that supposes that peasant or smallholder production systems or calls of ‘land to the tiller’ will always produce more equitable outcomes, then arguably the formality that comes with a JV involving agribusiness has some benefits for labour. Petty commodity producing entities and land reform farms are often operating informally and squeezed for working capital. As a result super exploitation of labour is a common strategy to survive including self-exploitation and labour which is either voluntarily or at remunerated at costs well below minimum wage; strategies which would be politically untenable to agribusiness. This is a position that has been most clearly advocated by Sender and Johnston (2004) who argue that large-scale capitalist farming could produce better outcomes for the poorest sectors of classes of rural labour in terms of employment opportunities and incomes than small-scale farming.

The benefits to labour also seem to be supported by other research I conducted on pineapple contract farming joint ventures in the Ciskei. Under these schemes a community cooperative controls the labour process and agribusiness is only involved in terms of providing a market and certain inputs to the cooperative. Many labourers had been volunteering their labour without payment over periods as long as two years in some cases. The rationale from the view of these labourers was the hope of receiving future paid employment, being able to make future claims on the farm or enlisting the patronage of the traditional leader, who was a member of the cooperative³⁴. Even after some were eventually employed informally, they were being paid far below the minimum agricultural wage, and only receiving a wage (albeit sporadically) because the state agreed to pay them through the public works programme.

Although the formality of jobs provided by the Amadlelo farms appears to benefit labourers, intense competition over labour in both sites is creating heightened tensions. Several labourers complained about receiving threats or being attacked, resulting in some leaving their jobs.

“I worked on the JV there for a while, I was working night shifts as security. One day some guys were trying to attack me on the way to work so I told the manager but he didn't say anything about it so I decided to quit for my own safety. So for those safety issues I wasn't willing to continue. When I was security, I caught one guy stealing cattle and I think that person employed the guys to attack me.”³⁵

³² At the time of the survey in October/November 2016 workers at both farms reported being paid around the agricultural minimum wage of R14, 25 per hour (with some small variations) and receiving a bonus or 13th cheque at the end of the year. They work about 8-10 hours a day but the nature of farming with dairy animals means that working hours can be unpredictable and overtime was frequently reported. Workers are on-shift for either 8 or 10 days and then off for 2 days. Dairy farming is thus more demanding of labour than other sectors of agriculture might be and this limits who can access or is willing to take on these jobs. High domestic demands of social reproduction, health status etc. may be prohibiting factors.

³³ This includes ‘irrigators’, ‘milkers’, ‘herders’, ‘security guards’ and general workers performing tasks as required who are all remunerated the same, in line with the agriculture minimum wage.

³⁴ Similar explanations for ‘free communal labour’ have also been explored in other African agrarian systems by Berry (1993).

³⁵ Interview with ‘Landowner’ homestead in Keiskammahoek 18.10.2016

Questions also abound as to who has ‘the right’ to labour on the farms, which these quotes from both sites reflect:

“The problem is the farmers only hire their children there at the farm. There are lots of people here [in Keiskammahoek] not working... Community members around here are not happy about that. You can ask everyone here, all the community members feel like this.”³⁶

“The dairy only takes people from upper and lower Shiloh. We are not happy about that but we don't complain because they complain this land at SADA is their land, so they must work on their land otherwise it becomes a fight! But we need jobs too!”³⁷

Agribusiness concedes to preferring to hire landowning homesteads, perceived to be invested and thus easier to control. However the farms legitimacy also rests on meeting demands for labour from the wider community. There is thus an uncomfortable chasm between the logic of capitalist farming inherent to the JV farm model and that of social reproduction of the landowners and broader host community. The capitalist farming entity's survival within a communal setting is premised on the landowners needing to reproduce themselves in a full set of social relations, in which the continued legitimacy of their land rights rests. The JV farms are compelled to take in more labour than required and must source their labour only from the local community as a result of high demands for jobs from the landowners' kin and wider community. The impact of this on production and profitability is expressed by a Manager at the Shiloh farm:

“Because it's a communal farm, we must take staff from here but the quality of the workers is not up to standards. We have a high calf mortality rate here because guys don't follow procedures. We are not building our equity because you have so many animals dying... There is a lot of politics here, there is this thing about this person is not from here but working as a junior or senior manager. They want someone from their own community to come here but people here don't have the experience.”

Currently these higher labour costs and the lower productivity of labour are being mitigated by the benefits of access to gravity irrigation, state subsidies for fixed assets and Amadlelo's investments in processing downstream of the value chain (which ensures a favourable milk price). However in the long term there are questions regarding whether the farms will be able to continue to meet high demands for labour which is likely to compromise profitability within a highly competitive and concentrated dairy sector.

In Shiloh the Mayime cooperative is directly responsible for sourcing labour for the JV farm. Homesteads falling out of favour with the Mayime committee members, the traditional leader (who is also a member), or other members of the farm operating Trust (‘landowner’ members are the same as the cooperative members) are unable to access to jobs. In Shiloh conflicts around the JV also impact access to public works and other contract jobs, since the traditional leader is involved in selections for these jobs. Various layers of social networks thus appear to mediate access to jobs, dividends and decision-making power in Shiloh including being considered a member of the ‘traditional community’ in favour with the headman, generational dynamics as well as association to the local Moravian Church.

“There is high demand for jobs here but the farm doesn't need that much but the community still demands people to be employed here. The landowners also make demands for their family to be employed... We don't handle this very well because it's only the Mayime Cooperative in control of that. There are people who are brought her to be employed by the committee and they are not

³⁶ Interview with ‘Other community member’ in Keiskammahoek, 15.10.2016

³⁷ Interview with ‘Other community member’, in Shiloh, 13.11.2016.

good, they don't want to work and we struggle as managers to tell them what to do.”³⁸

“If a company gets a tender, then the traditional leader meets the ANC members and then they have these steering committees, and it's the Moravian Church people and those close to the traditional leader who get the jobs”³⁹

Given the contexts in which these JV farms are being implemented, there is a question of whether dairy is the right kind of commodity to be producing in a communal area that has such high demands for employment. The National Development Plan (2011) identified dairy as an agricultural commodity with relatively high growth potential but which has limited capacity to absorb labour given high levels of mechanization. Other crops have been identified which are both high-value and with high-growth potential while absorbing far more labour, since they are less amenable to mechanisation e.g. vegetable farming and various fruit and nut tree crops.

Contribution of JV dividends to homestead incomes

In Keiskammahoek the JV dividend contributes quite significantly to overall homestead income. At Shiloh dividends clearly contribute significantly less to total homestead income with a median of 2% (and a mean of 3%). When these proportions are broken down further according to different asset groups, there is a wide range of variation across and within asset groups, which doesn't follow any obvious patterns, indicating the importance of other livelihood sources.

<i>JV Dividend as proportion of total homestead income</i>			
Case study site	Category of respondent	Mean	Median
<i>Keiskammahoek</i>	Landowner	0.48	0.44
	Labourer/ Landowner	0.43	0.47
<i>Shiloh</i>	Landowner	0.03	0.02
	Labourer/ Landowner	0.02	0.02

Gender and inter and intra-household distribution of JV dividends and jobs

An important finding emerging from my study is the need to focus on the distribution of benefits and risks associated with these investments at an inter and intra-household level. It is at this level that struggles over jobs and dividends are most acute. JVs are precipitating a reorganisation of labour processes and their gendered relations within and between homesteads. Many female respondents expressed frustrations over male members controlling income from JV dividends. The first quote from a wife of a landowner in Keiskammahoek is revealing of the gendered ways in which JV dividends can so easily be usurped by male ‘homestead heads’ when they come in the form of a ‘bank transfer’. The second quote from a female-headed widower illustrates a husband taking a unilateral decision to give the land over to the JV where the wife preferred to produce on her own.

“Men always want all the money to come to them. Most of the time the men just control all of the money... Sometimes you can't know how much you got because they don't tell you, they control it. The dividend goes straight to his bank so I don't even know if it's paid or not paid.”

“I never attend meetings of the cooperative. I never agreed that this land will be under Amadlelo. My husband would be angry with me in his grave if he heard me saying that because he wanted the partnership. He alone took the decision to give them the land. When he

³⁸ Interview with Junior Manager at Shiloh, 11.07.2016.

³⁹ Interview with Landowner in Shiloh, 16.11.2016.

was alive the dividend on the homestead, was shared by him in the homestead and I had no control over how it was spent.”

The change in the social relations of production on the irrigation plots and its effects on gender relations within homesteads was especially marked in Keiskammahoek where homesteads were still farming their land prior to the JV. Women explained how it was easier to have a degree of control over the income they generated from the land prior to the JV. Since the JV, women had to come up with new strategies to renegotiate their livelihoods and power dynamics within the homestead, which was leading to conflicts in some cases. Women were refocusing their efforts on generating income from the homestead garden. However homesteads without the means to produce in a garden and elder women unable to labour or with limited control over homestead and/or hired labour, commonly came to rely on child support grants from grandchildren, (if they were unclaimed by migrant mothers). Many women in both sites had also started small pig rearing businesses, which were quite lucrative and considered culturally appropriate for women to own in the Ciskei unlike cattle or goats⁴⁰.

Several struggles could also be witnessed in both sites among sibling or other family members, trying to control the dividend of older homestead members. All family members who had established different homesteads and ‘remarried’ out of the dividend receiving homestead along with their kin, claimed that they didn’t receive any benefits from the landowning homesteads. However there seemed to be a lot of pressure on landowners to ensure these homesteads received jobs on the JV. This alleged preferential treatment was a frequent complaint of the ‘other community’ members in both sites.

Benefits of the JV to the ‘Other Community’?

The main benefit deriving to ‘other community members was the availability of cheap unpasteurized milk from the JV farms. In October/November 2016 the farms were selling 5 litres of milk for R32.50 (R6, 50 per litre)⁴¹. The official price for rural areas in October 2016 was R14. 24 for a litre of UHT milk and R13, 14 per litre for fresh pasteurized milk⁴² in a supermarket (NAMC, 2016). However one could pay considerably more in a local grocery shop and so many community members buy milk from the farms. A labourer/landowner at Keiskammahoek responsible for selling the milk from the farm reported that in peak times in the summer when it is easy to make maas (sour milk) there can be as many as 60 local community members coming each day. In Keiskammahoek some local entrepreneurs had begun buying milk from the farm and selling it at a premium of R45 (per 5 litres) to surrounding villages unable to reach the farm by foot.

How the wider political economy interacts with the Joint Venture

Understanding the context in which JVs are inserted entails a broader investigation of the many other ways in which fragmented classes of labour must meet their social reproduction. Livelihoods in the former Bantustans in so-called ‘rural areas’ rely far less on farming to meet social reproduction, than in other rural areas in the Global South might. Agricultural production and access to land, labour, credit and inputs are precarious for most and contingent on other sources of income. Only a minority

⁴⁰ The Ciskei differs from elsewhere in South Africa, like in KwaZulu-Natal Province where researchers (Cousins) and rural development NGOs like Mdukatshani are supporting goat farming as a promising herd to support rural livelihoods and particularly culturally sensitive to female ownership, as opposed to cattle. Several respondents explained (see also Jeff Opland (2009) Xhosa Oral Poetry: Aspects of a Black South African Tradition and others) that because of the ceremonial importance of goats to Xhosa culture, used in rituals to commune with the ancestors, they are generally owned by men (widows may hold onto them until male children are old enough to inherit them. Goats are kept in the kraal (considered an abode of the ancestors and where ritual sacrifice takes place) and women are not allowed to enter. In the case study sites chickens and pigs were the most common livestock owned by women.

⁴¹ R5 per litre for 500 litres or more when buying in bulk

⁴² It is not legal for supermarkets to sell unpasteurized milk in South Africa, although it is in high demand since many local people prefer to drink ‘maas’ (sour milk).’

of homesteads draw in any significant way on farming to meet reproduction. Wages, remittances, pensions and social grants are the mainstay of livelihoods for most (Bernstein, 1998).

Table 6. Livelihood Sources and Homestead Composition in Keiskammahoek

Livelihood Sources in Keiskammahoek: By number of homestead members with access to various income sources																			
	Homestead size	Prop under 18 years	Prop of adults present most/all nights	Types of income sources in homestead	Adults with no income sources	Other agricultural formal job (not JV)	Other agricultural informal jobs (not JV)	Non-agricultural formal jobs	Non-agricultural informal jobs	Civil servant jobs	Own-account farming without labourers	Own-account farming with labourers	Self-employed without labour	Self-employed with labour	Public works jobs	Civil servant pension	Old age grants	Child support grants	Remittances in cash
Mean	7	0.24	0.6	6	0.85	0	0	1	1	0	1	0	0	0	0	0	1	1	0
Median	6	0.25	0.6	6	1	0	0	0	1	0	1	0	0	0	0	0	0	1	0
Sum	368			304	47	2	4	33	34	11	61	13	15	5	16	5	32	64	20

A brief look at the livelihood sources (in table six) other than those derived from the JV for my sample of 55 homesteads⁴³, encompassing 368 people in Keiskammahoek mirrors these trends. A median of 40% of adults homestead members are still migrating for work and homesteads service their livelihoods from numerous sources with a mean of 6 different types⁴⁴. Agricultural employment including on plantations, outside of the JV, is insignificant. Own-account farming without labour is still practiced by most homesteads, involving both livestock ownership and crop production, which is almost exclusively concentrated in homestead gardens. The significance to social reproduction is mostly for meeting consumption needs and ceremonial functions of cattle and goats is significant. Minimal sales are made to neighbours with only a few targeting formal markets. Although contributions to social reproduction are significant their significance to household income are minimal at a median of 0,7%.

Remittances formerly a mainstay of rural livelihoods have declined, in part having been replaced by social grants. The most prominent sources of income are wage employment outside of agriculture. There was a mean of one non-agricultural formal job per homestead but these jobs all involved migration, while some informal jobs (also a mean of 1) could be found in the case study site. When homesteads are divided into asset quartiles of Poor, Middle-Poor, Middle-Rich and Richest I found that all the civil servant positions and own-account farming with labourers are located in the Middle-Rich and Richest homesteads, while self-employment with labour is only found in the Richest homesteads. This finding was interesting as it indicated that there appeared to be a correlation in many cases between asset quartiles and capital-labour relations.

Public works jobs are important to the poorest homesteads where there is a mean of one, while none of these jobs were found in the Middle-Rich and Richest homesteads and fewer than a mean of 1 for the Middle-Poor. Social grants, particularly child support grants and old age grants are critical to all homesteads, with higher medians for child support grants in Poorest and Middle-Poor homesteads and higher medians for old-age grants in Middle-Rich and Richest homesteads.

⁴³ In addition to these homesteads three managers and two trainee managers were included in the survey however this data was analysed separately since management positions are considered as qualitatively different to other labourers in terms of their class position and because their homesteads are located outside of the case study sites.

⁴⁴ This refers to number of 'types of livelihood sources' (e.g. old age grant, public works jobs etc.) not the total number of livelihood sources.

Table 7. Livelihood Sources and Homestead Composition in Shiloh

<i>Livelihood Sources in Shiloh: By number of homestead members with access to various income sources</i>																			
	Homestead size	Proportion under 18 years	Proportion of adults present most/all nights	Types of income sources	Adults with no income sources	Agricultural permanent job (not JV)	Agricultural casual jobs (not JV)	Non-agricultural formal jobs	Non-agricultural informal jobs	Civil servant jobs	Own-account farming without labourers	Own-account farming with labourers	Self-employed without labour	Self-employed with labour	Public works jobs	Civil servant pension	Old age grants	Child support grants	Remittances in Cash
Mean	5	0.2	0.74	5	1	0	0	0	0	0	1	0	0	0	0	0	1	1	0
Median	5	0.14	0.83	5	0	0	0	0	0	0	1	0	0	0	0	0	1	0	0
Sum	331			303	43	1	1	26	29	12	56	20	19	8	11	2	51	73	20

At Shiloh for my sample of 62 homesteads and 331 individuals, we can observe similar general trends but what stands out is the decreased access to waged employment. Access to both formal and informal non-agricultural jobs is lower in Shiloh with a mean and median of 0 as opposed to at least a mean of 1 in each homestead in Keiskammahok. When the sample is divided into asset groups a mean of 1 is only found among the Richest homesteads for non-agricultural formal and informal jobs, own-account farming with labourers and self-employment with labourers. Self-employment without labourers was concentrated in Poorest and Middle-Poor homesteads and involved high levels of precarity due to the low-level of local demand. Differentiation in terms of access to income sources and jobs is therefore more extreme in Shiloh, in part accounting for the higher levels of social conflict playing out around the JV.

The unemployment crisis is also reflected in homesteads having less types of income sources to draw upon and lower rates of migration, with a median of 17% (as opposed to 40% at Keiskammahok). I found many young people returning to Shiloh after failed attempts to find employment in urban areas. The more extreme context of unemployment in Shiloh heightens demands for JV jobs and control over land and dividends in ways that exemplify a broader crisis of unemployment, beyond the ways local struggles are often articulated.

Conflict in Shiloh: Generational and other aspects of social difference underpinning struggles

There is a noticeable generational struggle emerging in Shiloh as a result, which plays out in terms of control over the JV. The cooperative is currently being controlled by an elder generation however there is significant pushback from frustrated groups of youth, with different ideas as to how the JV should be run. The fact that the swelling ranks of unemployed youth are struggling to be allocated their own land only accentuates this conflict. The discourse on the part of the elder generation reflects that reported in other literature in South Africa. This includes claims of youth being uninterested in farming and uncomplimentary criticisms of laziness and opportunism among the new generation, linked to the rapid extension of social grants. The following statements are illustrative:

“The youth don't want to plough they want only money. Even a young man wants a social grant. This is why we hired the food plots” (Traditional leader and member of Mayime Cooperative).

“The children don't want to cultivate the land, the younger generation doesn't want to work. They stay on the taverns. Government must put money here to make things better, we need jobs here. The dairy on its own can't support the landowners we need jobs as well. Especially the youth, they busy smoking drugs and teenage pregnancy. The jobs they have is to make children (Middle-Rich Landowner and Cooperative member).

The discourse on the part of the youth, many of whom have organized into an ‘opposition party’ however tells a different story. This opposing narrative is illustrated in the following statement below. It provides a rebuttal for claims that they are opposed to ‘development’ and rather highlights concerns regarding internal politics of the landowning group. Interestingly however this group did not raise alternative production models to the JV model, their primary concern is the transparency of the cooperative. This appears to be in part a result of a pragmatic acknowledgement of the possible pathways of development available to them in a context where they know it is near impossible to receive access to state funding, without a strategic partner.

“The landowners never signed a contract with Amadlelo or even saw the contract so those people when they toy toy they wanted to see the contract to know the terms and conditions. The committee has been for over 5 years and we think they should be reelected for 5 years every time... That's why we toy toy, not because we don't want the project. We want things to be transparent, we want to know how much they make and how much is paid to workers and how much is left. The court proceeding are still ongoing. The group hasn't gone straight to Amadlelo because there's propaganda with the Nkosana (headman/ traditional leader) saying we don't want progress. He doesn't tell them what we want, just spreads rumors we want to destroy! To get through this village you must get through the traditional leader, he is the gatekeeper. So even though we tried to access Amadlelo we haven't been successful.”⁴⁵

The heightened tensions and politics among the landowners in Shiloh resulted in the opposition group taking the Cooperative to court. The Cooperative won this initial case however another round of court proceedings were in the planning at the time of research in November 2016. A worker on the farm explains some of the issues of contention in this statement, which also reflects the difficulties of laboring in such a contentious environment, an issue raised by many labourers:

“Some of the issues is that the dividends comes after 6 months, but they want the money every month.... But the cooperative say if they pay every month there will be a loss. A lot of people are not happy with it, there are opposers of this project. Half of the beneficiaries I think are unhappy. One time they came here to take out the cows but we are workers and we can't let them do that. They wanted to take them out the fields and put them just on the tar road to be knocked by the cars. Another thing they wanted is milk for every community member that is a landowner but that will create a loss.”

I think this quote reflects the inherent tension between capitalist farming and social reproduction. The threat by a faction of customary landowners to harm the dairy cattle and therefore technically their own farm is not unique. I came across numerous similar examples, indicating that JVs seem particularly susceptible to acts of vandalism. In the case of Shiloh these conflicts have their roots in the intense reproductive squeeze many homesteads are subject to. The establishment of rural labour markets through the JV and differential access to benefits associated with the JV as a result of the undemocratic governance of the cooperative, also heightens processes of social differentiation and all the associated conflict this may bring along intersecting lines of class, generation, gender, ethnicity and religious affiliation.

Amadlelo Agri contends to devote much of their energies to dealing with the complexities of community politics to ensure buy-in. However they appear hesitant to tackle face on the claims of corruption within the Shiloh Cooperative and to hear and resolve counter claims of rights to land on the farm by the 15 Commercial farmers at Shiloh and by previous labour tenants at Keiskammahoek. The reason for this appears to be a hesitation to challenge the authority of the cooperatives with which they have partnered, who claim to represent ‘the community’. Such an approach would put them at risk of falling out of favour with those in power in the various communities, compromising their continued involvement in the investments. However without resolving these tensions and the issue of

⁴⁵ Landowner and member of the so-called ‘opposition’ in Shiloh.

democratic and transparent governance of the cooperatives, the long-term viability of these ventures is uncertain. Moreover the affect, particularly in Shiloh, that politics surrounding the JV is having on eroding social cohesion could have potentially violent and explosive affects, and is already showing evidence of compromising the ability of homesteads to meet their livelihoods given how integral the maintenance of social networks are to accessing labour markets in this community.

The JV model, premised on the logic of capitalist farming, faces enormous challenges in operating in contexts where both social reproduction is under immense strain and where rights to and use of land are contested by numerous overlapping claims. The JV model is designed to operate according to the imperatives of profit inherent to capitalist farming, where decisions regarding its operations should be made in the interest of the business, free from concerns of maintaining social networks. It also tends to treat land rights as rigid and individualized, rather than the reality of communal rights as overlapping and fluid, however, this sits uneasily with complex realities.

4 Conclusion

The case studies revealed that there is evidence of livelihood benefits at the two Amadlelo Agri JV farms in Shiloh and Keiskammahoek for various classes of labour, in the form of jobs and dividend payments. The formalization of labour processes on the farms has allowed homesteads to access formal employment, which is remunerated according to minimum wage and comprises significant portions of homestead incomes. The conditions for labour on the JV farms are decidedly less precarious than that of petty commodity producers and agricultural and non-agricultural informal wage labour found in the region. However numerous challenges weigh heavily on these supposed benefits to classes of labour.

Benefits for some have also entailed dispossession and exploitation for other individuals and groups at inter and intra-homestead levels along complex and intersecting lines of class, gender, generation, kinship, ethnicity and religious affiliation. In both sites conceptions of belonging to customary groups mediate benefits and preferential access to jobs for landowners and their kin are creating conflict with the wider community. At Shiloh alliance to the traditional leader is particularly important in accessing JV benefits. Nearby residents of Sada township are thus excluded from accessing JV jobs. Conflicts emerging around the JV are also compromising the ability of homesteads to access other livelihood sources such as land and labour markets.

Shiloh provides a precursory warning regarding implementing JVs with large beneficiary groups in the context of communal areas with high contestation around land rights and high levels of poverty and unemployment. Unrealistic expectations regarding prospects for accumulation create environments ripe for conflict. This creates intense fragmentation within communities, endangering their ability to reproduce the social networks central to livelihoods. The small dividends in Shiloh together with limited job opportunities on the farm can't hope to meet even basic reproduction of homesteads. Moreover the way in which the JV intervention endangers the social and cultural aspects of social reproduction and forces homesteads to renegotiate their livelihoods on even more precarious terrain does not bode well for meeting the livelihoods of fragmented classes of labour. In these cases, with large beneficiary groups and preexisting high levels of conflict and social differentiation, the JV model of capitalist farming may be inappropriate. Here it should be carefully considered whether alternative models of production could not support livelihoods more effectively. Dairy is highly mechanized in South Africa and thus also provides limited job opportunities, therefore it may be worthwhile considering the production of more labour-absorbing commodities⁴⁶.

⁴⁶ See above in text that the National Development Plan of South Africa (2011) presented a matrix that identifies certain high growth and high labour absorbing agricultural commodities such as vegetables and particular fruits and nuts that would be appropriate for production on irrigation schemes.

In Keiskammahoek there is significantly less conflict and contestation over the JV. This is in part a reflection of the smaller beneficiary group and a historical process of class formation among these farmers prior to the JV. Certain homesteads located in the Middle-Rich and Richer asset groups demonstrate evidence of accumulation of assets and livestock. However, because money is fungible and most homesteads rely on numerous sources of income, the impacts of the JV on cases of accumulation are difficult to discern. Dividends and access to jobs are also providing considerable proportions of yearly income for homesteads located in the Poorer and Middle-Poor asset groups and thus contributing to reproduction. However more attention is needed on how these benefits are often the sites of inter and intra-household conflicts especially along gender lines.

Although the JV in Keiskammahoek has not resulted in the same level of conflict as it has in Shiloh, the legitimacy of the JV and landowners to benefit from the land remains contested by the broader community. This is evidenced in the continued reference to ‘landowners’ as ‘settlers’ in spite of most of them gaining access to their plots around 1976. The fact that many came from other parts of South Africa means that social difference in terms of ethnicity, kinship and also race⁴⁷ are often articulated by the community to undermine their claims to the land, which have been heightened by the investment. Tensions to maintain social networks in the community and the legitimacy of ‘landowners’ is addressed at the farm mostly by the cooperative pressuring the JV to hire more labour than is required as well as the sale of calves and cheap unpasteurized milk to the community. So even with the seeming ‘success’ of this farm in comparison to Amadlelo’s other projects, contradictions between the model of capitalist farming and the demands of social reproduction are many.

Two overall lessons can be identified from this research for the investigation of the impact of agricultural investments on agrarian formations. First, is the importance of considering agrarian questions of labour. Investigating the wider political economy and the crisis of social reproduction that classes of labour are subjected to under modern capitalism are of central importance in understanding the root causes behind how struggles over land and investments are articulated on the ground. It is only in understanding the broader political economy in which specific JV interventions are inserted that we can understand how they interact with a complex set of social realities to produce certain outcomes.

The second lesson is the need for a more nuanced focus on the inter and intra-homestead distribution of benefits and risks associated with JVs. The sole focus in much of the literature on agricultural investments on relationships of exploitation between a predatory agrarian capital on the one hand and homogenous communities on the other, has been misleading of the real politics on the ground. Struggles over jobs, dividends and land take place within highly differentiated communities. The focus of research should be in understanding how agricultural investments are reorganising social, economic and cultural life and work and the means by which communities reproduce themselves in a full set of social relations. This entails understanding social differentiation in all its complexity and how historical trajectories are both reinforced and at times restructured by these investments.

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⁴⁷ Some of the landowners at Keiskammahoek are ‘Coloured’, a racial group unique to South Africa designating “a person of mixed European (“white”) and African (“black”) or Asian ancestry” (Encyclopedia Britannica).

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October 13-16, 2017
RANEPA, Moscow, Russia

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