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Teaching Them to Fish

Entrepreneurial Ideology and Rural Projects in South Africa

Terry Leahy 2011

The article is about failure of entrepreneurial ideology in agricultural – based projects in South African former homelands. The entrepreneurial ideology emphasis is on commercialising farming in the rural areas instead of subsistence farming. This method is supposedly used to address food insecurity among the rural poor. According to (Leahy, 2011), the aim of almost these projects is to turn the villagers into entrepreneurs who run small agricultural businesses and able to compete in the market. This is done through formation of agricultural cooperatives whose members are the poorest of the poor within the villages. However, Leahy indicates that in most cases these projects fail and collapse leaving members with anger and bitterness.

Former South African homelands are highly stricken with poverty while the unemployment in the rural areas is about 60 per cent. Leahy argues that, this situation shows no signs of changing in the near future. There are over 70 per cent of people living in the rural areas and half of these are chronically poor. The poverty in the rural areas is experienced as food insecurity. The black South Africans form majority of people living in these homelands therefore are most affected. According to (StatsSA, 2012), South Africa is continuing to be most the unequal country in the world, the black South African population is about 79 per cent, which forms the majority of the total population but the white South African control the largest portion

of economy. For instance, in most cases a white African male earn 6 times higher than the black South African male. As a response to this situation, the South African government introduced various agricultural projects in the rural areas. However, Leahy argues that these projects are not solving either the problem of food insecurity or unemployment among the rural black communities.

The entrepreneurial approach followed in the mentioned projects, advocates for modernisation and commercialisation of agricultur rather than traditional subsistence farming. It is believed that shifting from subsistence to commercial farming will provide the poor with income and economy and relieve urban poverty and initiate the growth in other sectors of rural economy. Leahy argues that, though this model keeps on failing, government persists on funding and restoring the failed projects. He further states that, inadequacy of subsistence food provision is blamed on narrow production instead of absence of agricultural intervention to stimulate subsistence farming or failures of land reform.

Leahy indicates that non-market provision has been estimated in variety of studies to supply between a quarter and half of foods in the rural areas. Despite of this evidence, there is small contributions made by the government in this sector as compared to a large amount of money spend in the failing projects.

Further, promotion of entrepreneurial success is a key to policy at all levels of government. When delivering speech at the African Farmers Association gala dinner, on the 23rd October 2012, the South African President (Jacob Zuma) indicated that there is a need to support black emerging farmers to participate more in commercial farming. He further stated that there are about 25 million people who live in rural areas and produce about 10 per cent of agricultural output through subsistence

farming. On the other hand, commercial agriculture produces 90 per cent of output and it consists of about 37 000 members (Office, 2012). Instead of supporting subsistence farming which feeds about 25 million people, Zuma states that the government will be giving more support to 11 thousand emerging black farmers. This means that the majority of subsistence farmers will receive less government support hence poverty will remain a challenge in the rural areas.

Leahy provides number of ideas and pressures feeding into projects design. Firstly, he suggests that these projects are used by the government as a strategy to end welfare dependency. These projects are preferred because they involve many members of the community through cooperatives hence viewed as promoting bottom-up approach and public participatory. Leahy argues that involving many people who are uncomfortable to work together leads to the failure of these projects.

Further, these projects are driven by desire 'to go beyond subsistence'. Leahy explains that, there is a believe that projects which 'go beyond subsistence' train ordinary people for their participation in the market. He argues that this approach ignores the wage experience that people already have. He explains that the ideology of wage employment is that, the failure of full employment is the result of inadequate business and employment experience of the poor rather than the failure brought about by neo-liberal policies or the state of the economy. In addition the policy setting of these projects is oriented on the view that the commercial white-owned farming sector represents the highest stage of agricultural development, therefore, small-scale entrepreneurial farming are expected to take the similar direction. On the

other hand, failure of these community projects serves the interests of white farmers because success in subsistence farming will lead to more pressure on land redistribution.

The government also finds it necessary to develop social capital in rural communities. However, it is argued that social capital already exists through football clubs, churches and people are able to share resources.

Apart from the ideas and pressures, feeding into project design, Leahy defines entrepreneurialism as the 'common sense' of the agricultural officers. Through the interviews he had with the various agricultural extension officers, he learned that projects are regarded as successful if they generate income. The focus has moved from helping the impoverished villagers to fight food insecurity but to turning them into entrepreneurs. Leahy further argues that this discourse is the common sense of the new black middle class (including agricultural extension officers) partly because it reflects what has worked for them - hard work, self-discipline, good business sense and intelligence. It is therefore believed that similar solutions could help the poor (ibid: 52).

Leahy provides number of factors that contribute to the failure of these projects. These include difficulty of translating the limited capital and skills of subsistence farmers into economic success on the large scale. In addition, involvement of group of villagers in a business enterprise seems to have many problems. Further, the infrastructure supplied with the project is insufficient for business to provide substantial income. Inexperience in business is another problem in these projects. For instance, a project is often designed to produce a cash income and set aside some of that money to pay for inputs, repairs of machinery and replacement of

machinery in the event of theft but the accounting skills required to make this design work are often beyond the knowledge of the beneficiaries (Leahy, 2009:64).

In order to respond to the food security crisis in the rural areas, Leahy recommends that there should be realistic solution which fits likely budget. The main alternative has to include strategy of multiple livelihoods; inadequate social security payments must be supplemented with food produced for subsistence. In addition, preserving and strengthening subsistence farming would maintain diverse economy rather than assuming that the market can provide all the answers. Further, subsistence farming should be targeted to individual households or to the groups of the kin or female friends who help one another with agricultural tasks rather than on group of villagers who uncomfortable to work together on business enterprise.

In conclusion, Leahy argues that 'teaching them to fish' declares the intention of the state to withdraw from ongoing support to the poor while business run by the poor takes over. He states that this could save government revenue if the projects were successful but it is not the case. Instead of focusing on entrepreneurial approach in agricultural projects, the government has to come up with policies which respond to the food insecurity and extreme poverty in the rural areas. Investing more on subsistence farming can be one of the strategies that can contribute to subsistence food provisioning. The main priority of the government has to be reduction of poverty and food insecurity rather than modernisation and monetisation of traditional farming.

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