



CHAPTER 1

INTRODUCTION

“No political democracy can survive and flourish if the majority of its people remain in poverty without land, without their basic needs being met and without tangible prospects for a better life. Attacking poverty, deprivation and inequality is the first priority of a democratic government.” South African Government of National Unity, 1994.

1.1 BACKGROUND

The migration of labour, geographically from rural areas and occupationally from farm jobs, is one of the most widespread features of rural transformation and economic growth (Taylor, 2001). This is true historically in developed countries and currently in developing countries of the world. China, for examples, is currently experiencing the largest flow of labour out of agriculture ever witnessed in world history (Shen., 1996; Brauw et al., 2001), while in Mexico it has been proven that remittances represent one of the largest economic impacts of migration on migrant-sending areas.

The migration behaviour and decisions of rural households in arid and semi-arid areas of the developing world are said to respond to the different distributions of rural resources, both natural (especially land-holdings, water and associated resources) and capital assets (Lipton et al., 1996, Kirsten & Kirsten, 2000), and the resulting demographics can affect the sustainability of land and water use. The structure of land-holding and access to natural resources are recognised as important determinants of equity and efficiency in agriculture (Sandru & Grewal, 1987) and are the most fundamental aspects of agrarian structure in developing economies, especially among rural communities.

Migration in the South African context has been for many years regarded as the main option for earning a living. Able-bodied men and women from many rural households migrated to ensure a decent livelihood for the majority of black South Africans



(Magubane, 1975). The areas that were allocated as African reserves towards the end of the nineteenth century and which became “Bantustans” or homelands following the 1913 Native Land Act and the Native Trust and Land Act covered only a portion of land originally occupied by Africans (Baber, 1996). The legacy of a long period of appropriation, during which African communities were deprived of means of subsistence and set aside as cheap labour reserves, made Africans almost totally dependent on migrant wage earnings and other transfer income sources. Owing to inadequate resources in rural areas, many households found it hard to continue any form of independent subsistence except through the sale of labour as mineworkers and later as farm workers, housemaids and garden-boys (Magubane, 1975). Land, water and other natural resources were also scarce, as they were forcefully transferred from black communities to large commercial farms, to which Africans had to sell their labour.

This study starts off on the premise that the prevailing situation in the rural areas in Limpopo (and elsewhere in the former homelands) is a result of historical processes and imposition of apartheid policies. The distribution of natural resources in South Africa, especially of land and associated resources (water, wetlands, forestry, etc.), was, and as far as we know still is, highly skewed (Woolard & Barbarton, 1998). This, according to Njobe, (1993) was a result of four centuries of conquest, occupation, denial, expropriation, transfer, purchase and consolidation, which resulted in a pattern of distribution of resources which was highly in favour of minority occupation. The unequal distribution of land and other resources transcended boundaries of provinces, regions, districts, areas and even villages.

This notwithstanding, the study also takes into account another school of thought: despite historical biases, migration is considered by many rural dwellers as another option to improve their livelihood. Delius (1983) showed that the Pedi people, including those from Limpopo, participated in labour migration as far back as the 1830s, almost four decades before the conquest of their society in 1879. Thus, the opening of the Kimberly diamond fields in 1869 presented improved employment opportunities to a people already deeply engaged in the labour market. It is known that, even at that time, the driving force to migrate was partly a desire to increase income.



There are “push factors” that exacerbated the situation, such as the endemic overcrowded areas, a result of the racial land laws which squeezed 80% of the population into townships and ex-homeland areas, with exceedingly small farms (Department of Land Affairs, 1997). In KwaZulu-Natal, for example, the average farm size was estimated as ± 0.75 hectare (Nieuwoudt & Vink, 1989). They concluded that, in addition to landlessness, inequality of land ownership and associated assets among cultivating households is an important “push” factor out of agriculture. The Limpopo survey found that the mean land ownership per person is only 0.35 hectare with 80% of the landed households occupying less than 0.5 hectare per resident, while more than 50% of households surveyed are landless (Kirsten et al., 2002).

1.2 EVIDENCE OF RURAL INEQUALITY IN LIMPOPO

Limpopo Province, formally known as the Northern Province, is the area on which this thesis is based; it is officially referred to as Limpopo (rather than Limpopo Province). Limpopo is quite rural and essentially agrarian in nature, sharing some common village resources and using communal land; a similar situation to all the other rural areas in South Africa inhabited by black people. Communal land tenure is mainly practised in all the former homelands including Lebowa, Venda and Gazankulu. Land is under the control of local and district authorities (headmen and tribal authorities) or residents associations that allocate land to individuals (mainly grown-up males). Land is allocated by means of certificates called ‘*Permission to Occupy*’ (PTOs), which are approved by the headmen and the magistrates (Kirsten et al., 2000). As land and other resources in the rural areas are scarce, the size and distribution of land and other productive assets among households are not the same.

1.2.1 Basic social indicators

Limpopo is one of the poorest provinces of South Africa; it is ranked last in terms of overall human development index. Table 1.1 gives a decomposed view of the basic social indicators of Limpopo and of South Africa as a whole for comparison. Limpopo covers 123 910 square km, which is 10.2% of national area; it carries 12.1%



(5.31 million people) of the national population, 89% of whom live in rural areas. The people consists of several ethnic groups distinguished by culture, language and race. The Northern Sotho (Sepedi) makes up the largest number, being nearly 57%. The Tsonga (Shangaan) speakers comprise 23%, the Venda 12%. Afrikaans 2.6% and English speaking whites are less than 0.5%.

Table 1.1: A comparison of social indicators for South Africa and Limpopo

Indicator	South Africa	Limpopo
Population (Census 2001, published 2003)	46.5 million	5.31 million
Population growth rate	2.08 %	2.31%
Urban population as percentage of total	53.70%	10.95%
Infant mortality rate	41	53
Total fertility rate	2.7	3.2
Percentage of population younger than 15 years	34.33%	42.75%
Life expectancy at birth	63	63
Non-urban economic active population as percentage of total economic active population	32.9%	82.8%
Total unemployment rate ⁵	33.8%	45.9%
Doctors per 10 000 population	2.9	1.5
Hospital beds per 1 000 population	4.0	3.1
<i>Diseases</i> ⁶	22.8%	11.5%
Percentage of HIV-infected women at antenatal clinics	-	286
Malaria cases per 100 000 population	22 950	4 814
Tuberculosis cases per 100 000 population	63 136	1 947
Typhoid cases per 100 000 population	425	98
Viral hepatitis cases per 100 000 population	1 042	109
Human Development Index	0.672	0.566
Gini coefficient (for income)	0.65	0.66
<i>Infrastructure:</i>		
Percentage of households with access to electricity-lighting	78.7%	75.5%
Percentage of households with access to electricity-cooking	59.0%	29.7%
Percentage of households with access to piped water	63.3%	39.2%
Percentage of households with access to sanitation	63.4%	26.0%
Percentage of households with access to telephones	46.9%	36.6%

Source: DBSA Development Report 2000 & 2004; General Household Surveys 2002&2003: Statistics South Africa

⁵ The DBSA (2000:193) used the following definition for unemployment: Persons 15 years of age and older who, during the reference week, were not in paid work or self-employment, were available for paid work or self-employment, took specific steps during the four weeks preceding the interview to find paid work or self-employment, or had the desire to work and were available to take up a suitable job if one was offered..

⁶ The lower figures for Limpopo could perhaps be attributed to lower population density and possibly under reporting in remote areas.



A relatively high proportion of the population is younger than 15 years of age. The Premier's Report for the March 2000 – February 2001 fiscal year indicates an acute shortage of classrooms and other educational facilities, coupled with a shortage of science and skills training teachers. Likewise, other basic amenities and services, including water supply, sanitation facilities, telecommunication and electricity supply are all reportedly inadequate (Limpopo Government, 2000/2001). The HIV and AIDS infection is estimated at 17 persons per 100 people. As young people are potentially the group at greatest risk, this will further drastically reduce the number of able-bodied persons in the rural areas.

1.2.2 Demographic and economic indicators

1.2.2.1 Unemployment

Limpopo's economy currently contributes the third least to the South African gross domestic product (GDP) of 6.5% and labour absorption, ahead of Free State and Northern Cape (GHS 2003); its capacity as a major market for goods is constrained by unemployment and lack of income. The challenge is to catalyse economic growth while exploiting opportunities which arise from programme(s) designed to address social-economic backlogs.

According to the results of the 1996 Census the South African population was estimated at 40,584 million with population growth slowing to about 2 percent per annum, down from 2.5% per annum during the 1980s.

The South Africa Human Development Report (2003), reported that important strides had been made towards overcoming past inequalities in the labour market. Efforts were made towards the Declaration of the Jobs Summit in 1998, but employment opportunities remained too low to slow down the dominant trend of massive unemployment.

Unemployment has continued to rise since 1996; the economy provided only 11.56 million jobs for 16.81 million economically active South Africans in March 2003,



(out of 29.6million working age population) resulting in 5.25 million unemployed, or an official unemployment rate of 33.8 per cent (South Africa Human Development Report, 2003).

The DBSA (2000:193) used the following (strict) definition for the unemployed: Persons 15 years of age and older who, during the reference week, were not in paid work or self-employment, were available for paid work or self-employment, took specific steps during the four weeks preceding the interview to find paid work or self-employment, or had the desire to work and were available to take up a suitable job if one was offered.

While the rural unemployment rate for South Africa was around 44.2% (urban = 28.7%) in 1996, the unemployment rates in Limpopo was 50.5%, (23.7% for urban areas) in 1996, which translates to over 487 000 of economically active people in 1996 (Census 1996). It declined to 43.5% in 2002 but rose again to 49.3% in 2003 (DBSA, 2004). In order to reduce the unemployment rate to at least the national average new jobs have to be created in the province each year. According to the DBSA study (2004) the percentage of *formally* employed persons dropped from 43.3 % in 1996 to 34.3% in 2003.

In any country the youth are considered to be the future; however, they have to be skilled mentored and groomed to take part in growing the economy. Unfortunately, the South African youth unemployment makes up 48.5% of total unemployment (43.8% in Limpopo). Growing youth unemployment is a major challenge impacting on crime trends and threatening the integrity of family and community structures. The census confirmed that the unemployment burden falls disproportionately on black men and women under the age of 35 and is particularly severe in rural areas. The employment challenge has been the focus of concerted deliberations by government, business, labour and community representatives. Against this background, the demographic and selected economic indicators in Limpopo are summarised and presented in Table 1.2.



Table 1.2: Important demographic and selected economic characteristics in Limpopo

Characteristics	Limpopo
Population size	5.31 million
Males (%)	46.0%
Females (%)	54.0%
Urban	10.9%
Non-urban	89.1%
Urban males	12.4%
Non-urban males	87.6%
Urban females	11.4%
Non-urban females	88.6%
Most important source of income (%)	
Wages	43.1%
Pension	27.1%
Remittances	21.5%
Farming	2.2%
Other	6.1%
Household income in the month prior to the survey (%) (1997 prices)	
R1501 or more	10.1%
R801-R1500	20.6%
R401-R800	33.1%
R400 or less	36.2%

Source: Central Statistics Service: Population Census 2001 (published 2003), Statistics South Africa; General Household Surveys 2002 & 2003 and Rural Survey 1997.

1.2.2.2 Equitable distribution of resources

According to the United Nations Development Programme (UNDP) South Africa Human Development Report (SAHDR) 2003, Unemployment in South Africa has continued to rise. In March 2003, for example, the economy provided only 11.56 million jobs for 16.81 million economically active South Africans, resulting in 5.25 million unemployed. This translates to an official unemployment rate of 31.2 per cent, which is substantially higher than the 19.3 per cent unemployment rate in 1996 (Census 1996).

SAHDR, 2003, estimated the unemployment in Limpopo to have risen to 49.3 in 2003, compared to the previous surveys. According to the 1995 October Household Survey National Census, 44.5% of the households in Limpopo had no apparent cash income. The unemployment rate was recorded at 46 per cent (Census 1996) and 46.6 per cent in the 1998 General Household Survey.



The Provincial Growth and Development Strategy (PGDS) 2004 to 2014 provides a summary of income distribution for more recent years. The Gini coefficient for income distribution were 0.60 in 1998 and increased to 0.63 in 2003, this correlates with the unemployment rate discussed above. New jobs should accommodate the very poor and should address current income and asset inequalities through redistribution and fair trade. The broad strategies for job creation and economic development are articulated in the “Growth and Development Strategy in Limpopo (GDS-NP) of 1997/98” which was adopted by the Provincial Executive Council in 1997. The Strategy represents a five-year multi-sectoral growth and development strategic plan of the provincial government. A review of Limpopo GDS-NP of 1997/98 is presented as the Provincial Growth and Development Strategy (PGDS) 2004 – 2014.

One of the priority areas for implementation of the GDS-NP (1997/98) as well as the PGDS 2004-2014 is increased agricultural production through small farmer support programmes and increased access to economic opportunities via small, medium and micro enterprises (SMMEs) in a way that fosters employment creation. Part of the five-year plan of Limpopo was to acquire agricultural state land and under-used commercial areas for redistribution within the land reform programme to create viable farming units for individuals and groups that have demonstrated a capacity to use the land. The PGDS, on the other hand seeks to consolidate and improve upon the 4% economic growth rate, which the province has been enjoying over the period 1998-2004; reduce the unemployment rate, which was at 49.3% in 2003.

1.2.3 State of agriculture in Limpopo

In terms of agriculture, the Limpopo Province has good potential, given its rich fruit and vegetable production. The province produces 75% of South Africa’s mangoes, 65% of its papaya, 36% of its tea, 25% of its citrus, bananas and litchis, 60% of its avocados, 66% of its tomatoes and 285,000 tonnes of potatoes. Other products include coffee, nuts, guavas, sisal, cotton, tobacco, timber (from more than 170 plantations), sunflower, maize and wheat. Most of the higher lying areas are devoted to cattle and game ranching.



Despite favourable agricultural conditions, land scarcity in the Limpopo Province, among farming households, is one of the challenges to increased agricultural production. According to Meyer (1993), rural households in the Limpopo Province fall into four basic categories in terms of household resource access commercial orientation:

- resource poor households, comprising farmers who have no arable land or grazing rights (estimates range from less \pm 50% in former Lebowa and Gazankulu to about 36% in Venda);
- smallholders, comprising households who operate below subsistence level and who usually do not sell produce. African farmers, occupying small parcels of land ($\leq 0.5 - 5$ ha), do not use any form of irrigation and produce at subsistence level;
- progressive emerging farmers, comprising households who use some technology and sell produce or livestock, and
- market orientated commercial farmers, comprising households who make a living from farming. Such farmers are pre-dominantly found in the west of the provincial capital, Polokwane (Pietersburg) or the Western region of our study area. Due to dryness there is extensive livestock production, especially among the white commercial farmers, who own large tracks of land. Dry land crops, such as maize, potatoes, vegetables and citrus are grown by commercial farmers mainly under borehole irrigation.

The majority of black farmers falls in the first and second categories, thus, is either landless and /or engaged in subsistence farming on individual farms of ≤ 0.5 to 5 hectares. In the study area 47.1 per cent of the households studied were had little (< 0.05 ha) or no land at all. These were mainly located in the Southern and Central Regions of the study area. The vast majority of households in these areas is dependent on non-farm incomes for their livelihood, either through commuter jobs, remittances from migration and/or pensions. According to Eastwood et al (2006) there is a sharp specialisation by income source among the study households, or a three way split between income from internal sources (wages and farm income), and from external sources, such as remittances and pensions; this aspect is discussed further in Chapter 5. The concentration of the rural population outside the formal town (peri-urban



areas) has led to an increase in non-variable smallholdings. At the same time, the out-migration from the rural communities of able bodied and skilled males (and, to a lesser extent, females) has undermined the domestic potential of the rural economy.

Mekuria and Moletsane (1996) obtained similar findings in a study conducted among selected rural households in five districts of the Limpopo Province. The results indicate that the most important sources of income for most rural households (excluding commercial white farmers) are crop (vegetables, grains, fruits) and livestock sales, remittances from relatives, pensions and wages. The results further show the wide spread landlessness that ranges from over 10% in Nebo to over 25% in Seshego. The study also highlights the problems rural households have to access credit and markets.

Results of the Rural Survey (1997) by Statistics South Africa (presented in 1999), reveal some pertinent characteristics of the African farming households living in the former homelands (Lebowa, Gazankulu and Venda) of the Limpopo Province. These characteristics are summarised in Table 1.3. The results reveal the subsistence nature of farming, which should be understood in the context of the land and labour scarcity. The other serious but disguised constraint is drought, which is exacerbated by inadequate irrigation facilities. The results in Table 1.3 reveal the subsistence nature of agriculture among the farming households in the former homelands of Limpopo, who clearly, must be depending on some other sources of income other than farming.

According to the Census 2003, Out of 1.2 million people in Limpopo, who are eligible for land for agricultural purposes, only 298 000 people, (23.7per cent) had access to land for agriculture in 2001.

In some rural areas, where electricity is available and the supply is relatively dependable, for example in some parts of the NorthWest and KwaZulu-Natal, individuals and groups of farmers have embarked on modern, small to medium-scale poultry production projects in addition to crop production (Rwelamira & Ewang, 1999). So far, rural water supply in South Africa depends, almost exclusively, on ground water. The availability, or rather the unavailability, of such water is dictated



by the availability of energy for water pumping. In rural areas, the source of water usually varies from hand pumps and wind pumps to diesel-generated and electric pumps. Although diesel pumps were highly favoured in the past as a rural water supply technology, the cost of fuel (diesel) and the unreliability in harsh operating conditions are serious constraints, both in terms of securing supplies and in terms of cost-effectiveness of the technology. The potential of using electricity in rural industries and SMMEs is also quite high.

Makhura (1999) establishes the importance of various economic activities to households in rural Limpopo. Using a factor analysis procedure, he demonstrated three patterns of a farm-non-farm relationship: the complete farming, farm/non-farm links and complete non-farm orientation. His results support Mekhuria and Moletsane’s findings (1996) that most households derive their livelihood from a diversified income source. However, those households with enough land place more emphasis on crop farming (fruits and vegetables, field crops and maize) and livestock rearing on communal land. The landless depend more on non-farm income sources, especially migrant remittances. Entrepreneurs, who generate livelihood through local businesses and services, also tend to have limited access to land and other farm related assets.

Table 1.3: Characteristics of farming households in the former homelands of Limpopo

Characteristic	Limpopo
% of Households with access to land for agriculture (<i>regardless of size</i>)	74.1%
% of landless households	25.9%
% of Households with access to animal grazing.	37.0%
Reasons for farming:	
• Subsistence	93.5%
• Profit	4.5%
• Other	1.7%
% of farmers that experience serious crop failure	24.3%

Source: Statistics South Africa, 1999: Rural Survey 1997.



Another group of households combine farm with non-farm activities. This group consists mainly of salaried people who take advantage of farm/non-farm links. Most salary earners are government civil servants, who tend to create an upper income class in rural areas. Part of the income from salaries is used to establish orchards and buy livestock, sometimes through government-assisted projects. The salary earners have access to more information regarding government projects.

The reasons provided in Table 1.3 for farming imply that most households do not obtain any income from farming; they must be getting income from elsewhere, and this study shows the main sources of income for such households are pensions and migrant remittances.

1.3 PROBLEM STATEMENT AND CONTEXT

1.3.1 Rural inequality and migration

South Africa has a dualistic economy, with a well-developed industrial sector and commercial agriculture alongside a poor and developing rural sector. It is now classified by the UNDP as a lower middle income country, in which about 48.5% of the population (21.9 million people) currently fall below the national poverty line⁷ (UNDP, 2003). Other sources, such as the World Development Report, 1996 and DBSA Report 2002 classify South Africa as a higher middle income country. Many South Africans still live in the former “Bantustans” or homelands, which are characterised by high population densities, an underdeveloped and inadequate agricultural base and high levels of out-migration to wage employment in the wider South African economy. Limpopo, where this study was conducted, was home to three of the Bantustans (Venda, Lebowa and Gazankulu). There is shortage of land in the rural tribal authority areas, which have, since colonial times, accommodated families removed from white-owned farms. Overcrowding, poverty, lack of opportunities and lack of income are some of the main causes of out-migration from

⁷ *The national poverty line was R352 and R354 monthly household expenditure per AE in 1999 and 2002, respectively (May, 1999 and SAHDR, 2003). The international poverty line was set at \$1 per day in 1985 PPP term and recalculated in 1993 PPP terms at about \$1.08 per day.*



these areas. According to Baber (1996), overcrowding on arable lands and the level of landlessness are quite substantial; at the same time, May (1999) estimates that 30% of the urban population is poor and that poverty rates are highest in rural areas. Land and associated assets were for decades the major sources of economic and social inequality in rural South Africa. The General Household Survey, 2003, shows the ratio of households with access to land to those without land to be about 2:11 and 3:10 for South Africa and Limpopo respectively. Moreover, the presence of inequality in rural South Africa is documented in a number of studies, including (Eckert, 1991; Houghton & Walton, 1952; Magubane, in Safa & Dutont, 1975; Carter & May; May (ed.), 1998; Cross et al., 1998; Dorrit Posel, 2003; Oosthuizen & Naidoo, 2004).

According to “Poverty and Inequality in South Africa: A Report to the Executive Deputy President and the Inter-Ministerial Committee for Poverty and Inequality” (May, 1998), “inequality” is defined in terms of being the opposite of “equality”, a state of social organisation, which enables or gives equal access to resources and opportunities to all members. Thus, *inequality* can be defined as *the state of social organisation, which gives unequal access to resources and opportunities to its members*. Based on income inequality, which is the most common form of inequality and which is relatively easier to measure, the report describes the prevalence of extreme inequality in South Africa.

At the time of democratization of South Africa in 1994, 86% of agricultural land was owned by about 55 000 commercial white farmers, while the majority of the country’s black population shares only 14% of total farm land (Kirsten & Kirsten, 2000). That system of land use and management and the structure of land ownership were socially and ecologically unsustainable. Thus, the land reform programme was established on the basis of the Reconstruction and Development Programme (RDP) to address these imbalances. Black people were either reclaiming their long expropriated land or buying new land from willing sellers.

In Chapter 2, Section 25 (property clause) of the Constitution Act 108 of 1996, the democratically elected government of South Africa made a commitment to reverse the effects of colonialism and apartheid through the three legs of land reform, namely: land redistribution, land restitution, and land tenure reform. The process and pace of



restitution has been quite slow; out of more than 79 000 valid land claims lodged with the Land Claims Court, only 41 land claims were settled between 1995 and 1999.

The latest figures (Statistics South Africa, 2007) indicate that the amount of farmland that has been distributed is only 2.8 per cent against the target of 30 per cent. There has been a very slow pace of success with the South African land reform. By 2000, after more than six years of land reform the government's efforts had resulted in only 1 per cent of farm land being redistributed, (Kirsten et al., 2000). By 2002, a negligible 0.33 per cent of total land in South Africa had been transferred, including non-agricultural land in urban areas (South African Human Development Report (SA-HDR), 2003). The above notwithstanding, it is noted that in 1999 amendments to the Act were passed by Parliament and gave powers to the Minister of Agriculture and Land Affairs to make awards based on negotiated settlement agreements. This administrative approach resulted in an increase in the number of claims settled to more than 36 000 in 2003 (The Land Restitution Commission, 2003).

Certain literature indicates that inequality of access to and ownership of material and non-material scarce resources, such as unequal access to land and related assets and scarce resources (like income, education, employment and other economic opportunities, infrastructure, etc.), at international, national, spatial and even inter-group level, is closely associated with certain demographic behaviour, such as high rural out-migration among insecure tenants looking for other opportunities away from their homes. Inequality is said to affect the behaviour of households as well as the behaviour of individuals within households (Theron & Graaff, 1987)

More specifically, the literature indicates that rural inequality may cause or contribute to migration. Studies about the relationship between migration and inequality of income, land-holdings and assets have been found mainly from the Asian, Latin American and Egyptian experiences.⁸ Cain (1985) refers to the finding by Larson and Mundlale that migration from farm to non-farm ventures within and between communities takes place if the income differential is large enough. A research study carried out in some Indian villages suggests that high migration from villages is



closely associated with unequal distribution of resources, usually land and associated assets. Similarly, Stark (1991) argues that relative deprivation plays an important role in migration decisions.

Inequality of income is widespread in the rural areas of many countries as a result of unequal access to and ownership of land. The main line of argument put forward by authors of study reports is that unequal land distribution represents a key determinant of rural economic inequality. Griffin (1996) and Nguyen (1989) argue that, since land ownership is highly correlated with agricultural income and agricultural income is itself a major component of rural income, uneven land distribution is an important factor contributing to rural inequality. A study by Julka and Soni (1988) in India also supports the view that inequality of income in rural areas is due to the unequal distribution of land and other productive assets. They and several other authors⁸ in this area, who are reviewed in Chapter 2, indicate that unequal access to and ownership of land and other rural assets and economic opportunities leads to movement from the countryside to townships and cities in search of other opportunities. At the same time, in many countries the structure of land-holding has long been recognised as an important determinant of equity and efficiency in agriculture.

South African rural migration studies, including May (1987) which concentrated on the social dynamics of differentiation and inequality in the former Bantustans of South Africa, are based on the situation in KwaZulu-Natal. Another study by Cross et al. (1998) describes the current migration situation; it focuses on the unstable balance between migration, small-scale farming communities, infrastructure and livelihoods on the Eastern Seaboard, focusing on KwaZulu-Natal. Cross and her team try to unearth the forces behind the high migration levels recorded in KwaZulu-Natal and the dynamics of migration, which they argue are the most neglected dynamic in South Africa. The study does not, however, link rural inequality and migration *per se* but

⁸ Adams., 1996; De Haan., 1997; Julka & Soni, 1988; Sandhu & Grewal, 1987; Connell et al., 1976; among others

⁹ Lipton (1982) found in a review of literature that variances in rates of migration were determined by unequal land ownership in Bihar, Ivory Coast and Nepal and by unequal education in Colombia, Brazil, Liberia, Ghana, Kenya and the Philippines. More recently, Kok, et al (eds), 2003 and Posel, 2003, found out that the patterns of internal



points out that severe land shortage and a high rate of unemployment in the rural areas are among the factors influencing the migration flow.

1.3.2 Rural inequality and poverty

The eradication of income and asset inequality and poverty is an indispensable requirement for sustainable development. What people can and cannot do and how they survive in a market economy depends largely on their access to the necessary financial resources and assets to meet an increasing portion of their needs. According to the United Nations Development Programme - South African Human Development Report 2003 (UNDP-SA HDR 2003), pronounced income and wealth inequality impedes sustainable development by contributing to a rise in poverty, distorting the use of society's productive resources, frustrating the growth potential of a country and jeopardising the sustainability of its environmental well-being. At the same time, unequal income and wealth distribution becomes economically costly and growth reducing when large numbers of a country's people are unable or unwilling to work or engage in entrepreneurial activity, unable to save and invest and unable to meet the costs for the provision of essential goods and services.

The Reconstruction and Development Programme document, which was the present government's election manifesto in 1994, emphasises that planning needs to focus on narrowing inequality, breaking down barriers that hamper participation in the economy and reducing poverty. The latest UNDP-SA HDR 2003 identifies five central challenges facing South Africa's sustainable development prospects. The first on the list is the eradication of poverty and extreme income and wealth inequalities.

Few studies have addressed the issue of inequality in rural South Africa¹⁰. At the same time, such studies have not looked at the interrelationship between inequality, migration and the impact of remittances on inequality. Most studies on rural inequality in South Africa concentrate on racial inequalities, given the historical

migration, at least, in post – Apartheid South Africa, have remained static since the late-1970s.



background. Inequalities within rural black communities and between rural black households have not been considered. However, early studies, such as the Kleiskammahoek Rural Survey (K.R.S) by Houghton and Walton (1952) and Mills and Wilson (1952) highlight the fact that land owners were relatively better-off than the rest of the community members in terms of education, cash income, access to land and livestock holdings. De Wet (1995) suggests that the difference between land owners and the landless members of the community, who were said to live on the “commonage”, was not only economic and educational but had also over time developed social dimensions.

Cater and May (1997, 1999) and Roberts and May (2000) used findings of the Project for Statistics on Living Standards and Development (PSLSD) survey undertaken in the last half of 1993. The study, which incorporates a large sample of households (approximately 8 800 households nationwide, of which 4 259 are rural African households), is generally considered the benchmark for comprehensive poverty-inequality related data in the country. It was the first national representative, multipurpose household survey undertaken nine months prior to the country’s first democratic elections held in April 1994, and thus signifies an important baseline against which to monitor the progress of the government in its determination to reduce poverty and inequality (Klaasen, 1997).

The PSLSD study sheds some light on rural inequality and poverty over the entire country. The results from the survey revealed, *inter alia that*:

- The level of income inequality overall (across race groups) in South Africa, measured by the Gini coefficient (0.58 in 1993) was among the highest in the world.
- By engendering a situation of inequitable access to employment, services and resources by the African population, apartheid policies had resulted in poverty being characterised by a strong racial dimension.
- Poverty and inequality are geographically concentrated, with the largest share of the poor (72%) residing in the rural areas, especially the former homelands.

¹⁰ *Those studies that have addressed this issue include May (ed.) 1998; Cross et al., 1998 and Woolard and Barbarton, 1998.*



- Only over a quarter of African rural households have access to a plot of land for crop production. The average land size of these plots for households is estimated at only 2.2 hectare.

Livestock ownership revealed a similar pattern with only 24% of African households in the rural areas owning livestock with an average holding of 5.4 mature livestock units (MLU), valued at about R 4 300. The livestock situation could have been exacerbated by both the drought conditions and the increase in densely populated rural settlements, which have limited grazing land.

The findings of the PSLSD study, therefore, indicate that people in the rural areas with limited access to land, livestock and markets experience high levels of inequality and poverty relative to the rest of the country.

Inequality is not the same as poverty; however, in the South Africa context inequality is closely linked to and intertwined with poverty. Even though the classification of South Africa is still quite ambiguous (considered a higher middle income country by some and lower middle income by others), her per capita income level was similar to that of Poland, Thailand, Botswana, Brazil, Malaysia, Venezuela and Mauritius, just to name a few (World Development Report, 1996, Development Bank of Southern Africa (DBSA), 2002) but most South African households still experience outright poverty or vulnerability to poverty. In a number of these countries and many other developing countries, land ownership and other rural assets, such as water and forests, are considered to be the primary source of economic inequality and social differentiation in rural areas (De Janvry, 1976). This is particularly true in countries at early stages of agricultural development, whose rural populations depend, to a large extent, on agriculture for their livelihood. Many South Africans still have unsatisfactory access to clean water, energy, health care and education.

The Poverty and Inequality Report, which was presented to then Deputy President Thabo Mbeki by May (Ed.) (1998), reports that 50% of the South African population can be classified as poor. The latest UNDP-SA HDR 2003, reflecting the nine years after democracy, reports that in 2002 about 48.5% of the South African population



(21.9 million people) fall below the national poverty line; 91.1% of those people are from African ethnic groups living in rural areas. Compared to the HDR-SA Report, (UNDP, 2000), when 71% of people in rural areas fell below the poverty line, the reported incidences of income poverty and inequality in South Africa have increased during recent years. Recent empirical studies show that there is a large segment of initially poor households that have either remained at the same level of poverty or have fallen further behind. Poverty and inequality continue to exhibit strong spatial and racial biases.

Using the Income and Expenditure Survey of 1995 (quoted in UNDP-SA HDR 2003), a poverty line of R352 per month per adult equivalent was derived as the national poverty line for 1995 to 1999, after more than seven years the poverty line changed only slightly to R354 per month per adult equivalent in 2002. The international poverty line of \$1 purchasing power parity (PPP) a day and \$2 PPP a day per person was also selected. Thus, the number of people in poverty varies according to the choice of poverty line and assumptions about the intra-household allocation of resources.

The UNDP-SA HDR 2003 further reports that South Africa has one of the largest earning inequalities in the world; this is reflected in the difference between the average monthly income of a relatively small group of skilled employees and the majority of the employees who are semi-skilled or unskilled. Likewise, the colonial and apartheid policies of forced removal, expropriation and discriminatory property laws produced an extraordinary concentration of financial, land and physical capital in the hands of a small minority group. The land-holdings and other assets that are available to households and the opportunities to generate a sustainable livelihood are all unequally distributed between and within race groups, the nine provinces, and more critically, between and within the rural communities of South Africa. In per capita terms, South Africa is an upper middle income country; the World Bank (1998) reported a mean income of \$7 450 in 1996 for South Africa, in purchasing power parity dollars (PPP\$) of 1993. SA-HDR 2000 quotes lower estimates based on data obtained from the Reserve Bank of South Africa. Real GDP per capita (PPP\$) is estimated at only \$3 056 (SA-HDR, 2000).



Virtually every indicator highlights the extreme inequalities that still define the South African society. Measured by Gini coefficient, the income inequality for a number of years is indicated in Table 1.4.

Table 1.4: Gini Coefficients indicating income inequality in South Africa

Year	1991	1995	1997	1998	2001	2003
Gini coefficient	0.65	0.60	0.65	0.62	0.64	0.64

Source: UNDP Human Development Report, 1994 and UNDP - South Africa Human Development Report, 2003

According to the figures in Table 1.4, the Gini coefficient indicating the latest UNDP-SA Human Development Report 2003, income inequality is worsening and continues to place South Africa in the ranks of the most unequal societies in the world. It is ranked as the third most unequal society, surpassed only by Guatemala (SA-HDR, 2000). A random selection of income Gini coefficients for countries at a similar level of development in Table 1.5 illustrates this point.

Table 1.5: Comparison of Gini coefficients of countries at similar level of Development in 2001

Country	Botswana	Venezuela	Bolivia	Chile	South Africa	Brazil
Gini coefficient	0.63 (1993)	0.49 (1998)	0.45 (1999)	0.58 (1998)	0.64 (2001)	0.58 (1998)

Source: South Africa Human Development Report, 2003

The poorest 40% of households, mainly black Africans, receive only 11% of the total income, while the richest 10% of the households, mainly white, receive over 40% of the total income. The unequal distribution of income between racial groups in South Africa is considerable and accounts for 37% of total income inequality (SA-HDR, 2000). An earlier report by the UNDP (*Human Development Report, 1994, p. 98*) states “If white South Africa were a separate country, it would rank 24th in the world (just after Spain); black South Africa would rank 123rd in the world (just above Congo); not just two different peoples, these are almost two different worlds.”



1.3.3 Reaction to inequality and poverty

In the past, due to constraints under the influx control legislation, African migrants could only move (migrate) either temporarily or permanently in search of income and jobs to designated work places, such as the mines or commercial farms. The African rural areas were, and still are, characterised by overcrowding, poor service delivery and ownership of small plots of land per household. Such a structure is conducive to high rural out-migration among insecure smallholder farmers looking for other opportunities.

Within the new dispensation, where all people may move freely, inhabitants in rural areas are being pushed out of these poor areas by poverty in search of work; at the same time, they are pulled towards other areas (cities, towns, regions and informal settlements) which have better or superior infrastructure (including land, improved housing, water and sanitation, electricity, better transport, health and school facilities).

A study by Bekker (2003) alludes to new and more complicated migration flows in view of the newly found freedom of movement, especially among the African ethnic group. The study points out a new reason for migrating (in addition to the search for income and jobs): to search for superior infrastructure. The relevance of these and other studies to the thesis of this study is captured in Chapter 2.

1.3.4 The impact of migration and remittances on rural economies

Migration can profoundly impact on the rural economies of developing countries, both negatively and positively (Adams, 1996). Pessimistic studies (in the 1970s and 1980s) argue that migration reduces income in migrant-sending areas because the marginal product of the migrants' labour is large prior to migration and migrants take productive capital (including human capital) with them when they go. In this pessimistic scenario, poverty may increase if migrants originate from poor households; or if the marginal product of the poor villagers' labour on their own or on others' farms, becomes less as a result of the loss of the migrants' labour (and capital).



Initially, rural out-migration raises the average product of rural labour along a given supply curve, through diminishing returns. As migration continues and the available rural labour becomes more depleted, the average product of rural labour may also decline. Rural out migration may also change the position of the supply curve due to the selective nature of migration on the basis of age, gender, education and skills of individuals who are likelier to migrate. Todaro (2003) adds to this scenario by observing that migration imposes external costs on rural areas emptied of better educated, more venturesome young people, as well as lost output. Moreover, if an inflow of remittances to rural households is at the upper end of the income distribution spectrum, it could increase income inequality and land accumulation by the rich.

However, a more optimistic scenario of migration is found in research findings of the 1990s and later, such as the literature of the new economics of labour migration (NELM), which analyses migration as a household decision rather than as an individual decision (Taylor, 2000, 2001; Massey et al., 1998; Stark, 1991; Stark & Bloom, 1985). NELM advocates continuing interactions between migrants and their rural households, and thus, suggests that a household model rather than an individual-level model of migration decisions is appropriate for analysing migration dynamics. NELM hypothesises that rural households facing imperfect market environments decide whether or not to participate in migration as part of a set of interwoven economic choices (Taylor et al., 1996). The household, wishing to reduce risk, decides to diversify its income earning portfolio, by sending out (as migrant), one or more of its members to work away from home.

Under normal circumstances, individuals working as migrants do not sever ties with their source households to which they still belong; the source households participate in the migration decision and may pay migration costs and support the migrants until they become established at their destination. Family members who remain behind (often parents, partners and siblings) may reorganise both their consumption and production activities in response to the migrants' departure. On the other end, migrants usually share part of their earnings with their households of origin through remittances.



Migration remittances may decrease rural inequality and poverty by creating income and employment multipliers in migrant-sending villages, towns or communities. This is especially true where more of the migrant sending villages represent income and asset poorer people than those villages sending fewer migrants out. The same is true within villages, where people migrate from poorer households than from relatively richer households. According to Taylor and Wyatt (1996), remittances received by rural households have both direct and indirect effects. While they can directly increase income available for consumption, they can also play an important role in loosening the constraints, imposed by risk and capital markets the household are subject to. In the absence of formal capital markets, households are forced to self-finance investments in production assets, such as farm implements and inputs (fertiliser, seeds etc.), and self-insure against income risks. Moreover, remittances can be expected to have a non-unitary effect on income, as they ease capital constraints and stimulate investments; giving rise to additional income. Due to their multiplier effect, remittances can help to narrow down income inequality in migrant-sending rural areas, if migrants originate from the lower income levels of the income distribution stratum. Similarly, if multiplier spending is on goods and services made with low skilled persons the distribution of the gains from multiplier effect will help to even out rural income inequality in the migrant sending areas. The NELM theory is discussed in more details in Chapter 3.

1.4 THE THESIS AND RESEARCH OBJECTIVES

Against this background, the aim of this thesis is to:

- analyse and establish the relationship between rural inequality and migration, that is, the influence of unequal distribution of land and other productive assets on African rural household migration decisions; and
- establish the association between migration and rural inequality by assessing whether migration remittances (in cash and in kind) received by migrant-sending households have a decreasing or increasing influence on rural inequality in the African migrant-sending communities or economies.



It is important to note that this study is only addressing the inequality of assets among the African rural households rather than across the different racial groups of South Africa. One great injustice (and linked inefficiencies) blinded people of many injustices (and linked inefficiencies). The African white inequality is the elephant in the garden in this thesis. What is important is whether a change in the African -white inequality, especially of farmland (for example through land reform), can change the inequality among Africans in South Africa generally, and in Limpopo in particular. How would such changes affect resource distribution among Africans in the rural areas of Limpopo? De-concentration of land and other rural assets accumulations is considered to be a step in the right direction towards poverty eradication.

This will be a new contribution towards understanding inequality in the rural areas as there are not many such research studies addressing inequality within rural African communities. Inequality between races of South Africa has received more than its equitable share of attention from old and recent researchers nationally and internationally.

Two important phenomena, namely, inequality and migration, co-exist side by side in rural South Africa in general, and in Limpopo, in particular. Available evidence shows that fairly distributed land and other productive assets are good for efficiency, agricultural performance and economic growth (Gills et al., 1996). Other development economists, especially within the World Bank have also researched extensively on different aspects of income and assets inequality as a constraint to growth, (Bruno, et al., 1996; Solimano, 1999; Ravallion, 2000; Deininger & Olinto, 2000; Christiaensen et al., 2002, Birdsall et al., 1997; Rosset, P., 2001; de Janvry et al., 2001). Their contribution to this topic is well covered under the literature review Chapter 2.

It is also believed that high levels of inequality contribute to high levels of poverty. This is especially true for African countries that are concerned with eradicating poverty and that are at the lower levels of development.

It is, thus, essential and critical to correctly identify “inequality-decreasing” and “inequality-increasing” resources in order to come up with the right policies for the



common good. This study attempts to determine whether migrant remittances, as an income source, contribute towards increasing or decreasing inequality in the rural areas that receive such income. One of the outputs of this study will be recommendations that can influence policy aimed at reducing rural inequality, and eventually reducing rural poverty. This will be achieved by identifying aspects of migration that work towards decreasing inequality, so that these may be promoted, and those that add to inequality (and thus exacerbate poverty) so that policies can be designed to discourage them. It is important to analyse migration from both optimistic and pessimistic scenarios. The true impact of migration is likely to be found not at one extreme or another but most probably somewhere in between.

The specific objectives of the study are:

- i) to determine the effect of unequal distribution of land and other productive assets on household behaviour regarding migration from the rural areas of Limpopo and
- ii) to establish whether remittances (in cash and in kind), received by migrant-sending households, decrease or increase rural inequality in the migrant-sending areas.

1.5 HYPOTHESES

There are conflicting views, mostly available in literature in India and Africa which show that unequal rural distribution of assets influences decisions by families and individuals regarding out-migration. Much of the literature reviewed for the study indicates that unequal access and ownership of land and other rural assets leads to movement from the countryside to townships and cities in search of other opportunities. All of them imply a push factor from the migration sending areas for search of a better situation. However, there are many cases where the poor individuals or poor households get to know that, by moving, their chances of landing a permanent job and receiving a predictable income are minimal. According to Bekker (2003), under these conditions, such individuals and households often migrate, because they are attracted by better facilities they can get elsewhere, they go away in search of



better or superior infrastructure; more and better land; improved housing, water and sanitation; electricity, and better transport, as well as better school and health facilities. According to Bekker, (2003), this second engine of migration, which operates for many poor South African households and individuals, takes place due to the pull factor.

With the above background in mind this study decided to unravel two issues, stated as our hypotheses, regarding the South African rural migration. The hypotheses state that:

- i) The size and distribution of household land-holdings and other productive farm and non-farm assets influence household behaviour regarding migration.

Unequal access to rural assets, mainly land and related assets could be the result of migration and it could also result into migration. The rationale is that more assets will likely lead to more income as the productive assets are utilised for production and income generation. On the other hand, with inadequate or no assets to facilitate livelihood activities households and individuals will look for alternatives in order to survive. The propensity to migrate in search of alternative means of survival will change over time depending on a host of intervening variables, including, but not limited to land and related assets, access to information, the influence of costs (social, psychological and financial), and the influence of risk.

- ii) Migration remittances received by migration sending households may have an increasing or decreasing outcome on rural inequality in migrant-sending areas.

The direction of the impact of migration remittances on the rural income distribution depends on the whether the poor rather than the rich access the remittances, the degree to which migration opportunities are diffused across village households and the distribution of remittance-enhancing skills.



1.6 DELIMITATION

The data used for this study were taken from a large household survey research study conducted in Limpopo Province of South Africa. The findings of the study on the relationship between rural inequality and migration are therefore interpreted in the context of Limpopo and we may not necessarily infer the same on interpersonal inequality within South Africa. The study is largely confined to the farm level dynamics of migration, that is, migrants are not traced to the receiving areas. The data are not adequate to support analysis beyond the farm level. Thus, the effect of migration on the receiving communities, townships, towns and cities within South Africa and across its borders is not a subject for this study. Likewise, cyclical, return and urban to rural migration is not investigated, but is acknowledged and referred to when necessary. Also, the study only addresses the inequality of assets among the African rural households rather than across the different racial groups of South Africa. The discussion about the relationship between rural inequality and rural out-migration is mainly concerned with migration of labour (focusing on working age persons). However, other aspects of migration, such as migration for schooling, joining working spouses and other relatives are also acknowledged.

The way the data was collected does not allow an exhaustive analysis of the effect of migration on rural inequality other than analysing the impact of migration remittances on the household incomes and area income inequality. That means that, using the survey data we can not accurately test a causal model, but wherever possible discussion on how the causation problem might change or alter the findings of the study is provided. The study does not critically look into the effect of migration on rural inequalities of income and assets owned by the rural households in migration sending areas.

1.7 ORGANISATION OF THE THESIS

The thesis is divided into nine chapters. Chapter 2 presents the literature review on inequality and migration and empirical evidence of the effect of land and asset inequality available from literature. Chapter 3 reviews selected theories of inequality



and models of migration behaviour that are relevant to the study objectives. Chapter 4 explains in detail the conceptual framework on which the rest of the chapters are based relating to the complex relationships between inequality and migration and remittances from migration. The methodology used in the study, indicating the research design and set up, is presented in Chapter 5. Chapter 6 highlights the descriptive and inferential statistics from the Limpopo household survey regarding the characteristics of the rural households surveyed, asset distribution indicating the presence or absence of inequality and the dynamics and typology of rural migration. Chapter 7 analyses the cause and effect issues specific to size and distribution of land and other assets and their consequences to migration. Chapter 8 presents the impact of migration on rural migration-sending economies by addressing the role of remittances on migrants-sending households and communities and the impact of remittances on rural inequality. Chapter 9 summarises the general findings presents the conclusions of the study and provides possible policy options and recommendations for future research.



CHAPTER 2

A REVIEW OF THE EFFECT OF RURAL INEQUALITY ON MIGRATION

2.1 INTRODUCTION

The literature on unequal distribution of income, landholding (access and ownership) and associated assets among rural households of the developing world has been growing over the years since the 1970s; such information is reviewed carefully in this chapter in order to learn from the experiences therein, which may have relevance to the South African situation. Many examples of studies on the distribution of income and rural and agricultural assets relate mainly to Asia (Cornell et al, 1976; Prahladachar, 1987; Sharma, 1988; Sandhu & Grewal, 1987; Julka & Soni; among others) and Latin America (Shaw, 1974; De Janvry & Sadoulet, 1996; Stark, Taylor&Yitzhaki, 1986; Birdsall et al., 1997; among others.) Lipton, 1980, 1982; May, 1987; Hassan et al., 1989; Francis & Hoddinott, 1993; Cater & May, 1997 and Adams, 1993 are among the few researchers who have done similar studies in some African countries including South Africa. Only a few of these studies link asset distribution to agricultural production and migration. Most of them explicitly confirm that assets are unequally distributed in rural areas.

This chapter reviews selected¹¹ studies about rural asset inequality and migration, and also looks at the link between asset distribution, livelihoods and migration in different countries and contexts. The chapter is divided into six parts of which this introduction is the first section. Section 2.2 discusses a selected international survey of the literature that provides information on asset ownership and distribution and its effect on rural out-migration. Where possible, the conditions and policies under which asset inequalities occur are also discussed. In section 2.3, a review of literature on the relationship between inequality and rural our-migration is presented. The interracial inequalities are not covered because they are not relevant to the study, which focuses

¹¹ *As there is abundant literature about rural asset and income inequality in Asia (especially India) and Latin America only the most relevant studies have been reviewed.*



only on black rural households. Section 2.4 reviews the relationship between remittances and rural inequality, looking at case studies from around the world. A number of studies that have been conducted in rural households in the Limpopo Province are carefully reviewed in section 2.5; section 2.6 gives a summary of the chapter

2.2 INTERNATIONAL EVIDENCE OF MIGRATION AND RURAL INEQUALITY

2.2.1 Prevalence of rural inequality

Among the early authors on rural inequality of land and other productive assets were Julka, and Soni, (1988), who analysed inequalities of income, land ownership and associated assets among a random sample of cultivating households from one region of Patiala district in Punjab. Their empirical results showed that the top income group (10%) had 30% of the land, 33% of the modern productive assets, 22% of dairy cows, 30% of liquidity, 38% of tractors, and 17% of the total engines / motors. The poorest households (bottom 10%), on the other hand, owned just seven percent of the land, seven percent of the dairy cows, six percent of liquidity, 0.54% of tractors, eight percent of engines / motors and a mere four percent of modern productive assets. The results further showed that land distribution was the single dominant factor contributing to income inequality, as 40% of the income inequality was attributed to land area operated, with the number of farm workers and dairy cows accounting for another 25% and six per cent, respectively. Thus the size related variables (land and cattle) together explain the bulk of income inequality – 71%. They concluded that widespread inequalities of income in the rural areas have their genesis in an unequal distribution of land and other productive assets. Therefore any serious commitment to reducing income inequalities in the rural areas boils down to a pledge for redistribution of productive resources especially of land.

Earlier attention by professional economists (inside as well as outside the World Bank) to income distribution and particularly to rural inequality neglected what has turned out to be the second determinant of poverty reduction as well as a promoter of



growth, that is, the distribution of assets, both physical and human capital (Birdsall et al., 1997). With the renewed interest in income inequality as a constraint on growth, the World Bank economists (Bruno, et al., 1996; Deininger and Squire, 1995; Solimano, 1999; Ravallion, 2000; Deininger & Olinto, 2000; ChristAEnsen et al., 2002) and other development economists (de Janvry & Sadoulet, 1996; Birdsall et al., 1997; Rosset, P., 2001; de Janvry et al., 2001) have researched and reported extensively regarding the different aspects of inequality, especially among the poor.

Inequality and poverty are commonly considered from the income distribution point of view, simply because income inequality is much easier to measure than asset inequality. According to the May et al., 1998, poverty and inequality concentrates on dimensions of poverty and inequality that are easily and objectively measurable. It focuses on conventional, money-metric measures, as money is commonly the means of obtaining inputs into human development. Such measures are considered to be practicable, allow for comparisons, and are a fair good proxy for standard of living. However, there is consensus that the poor depend heavily on capital accumulation rather than on income (Birdsall et al., 1997); for the poor the initial inequalities in the distribution of land and human capital have almost twice as greater an impact than for the population as a whole. Empirical evidence from 43 selected countries¹² suggests that the effect of asset inequality on growth dominates the effect of income inequality (Birdsall et al., 1997). Deininger and Squire (1995) also agree with this analysis and emphasize the aggregate growth and accumulation effects of assets for raising the incomes of the poor and reducing poverty.

Exploring inequality from a different perspective, Stark (1984, 1991) developed an explanation of the rural – urban migration process based on what he termed “relative deprivation” The term *relative deprivation* was first coined by Sam Stouffer and his associates in their wartime study *The American Soldier (1949)*. However, it was rigorously formulated by WG Runciman in 1966. His exposition, considered the best

¹² Using “high-quality” data base (data which is based on fully representative household surveys, with all sources of income – monetary and non-monetary, covered) of Deininger and Squire (1996) the study was done for countries with comparable data



on this concept, is contained in Routledge, (1966), *Relative Deprivation and Social Justice*. The details of Runciman and Stark's theory are discussed in Chapter 3.

According to the relative deprivation theory, discontentment can arise due to unequal distribution. Given a set of households and/or individuals with whom comparisons are made, an unfavourable comparison could induce a departure for work elsewhere (migration), where wages are higher and prospects are better. He argues that relative deprivation plays an important role in migration decisions.

The literature reviewed thus far indicates that unequal access and ownership of land and other rural assets leads to movement from the countryside to townships and cities in search of other opportunities. All of them imply a push factor from the migration sending area for search of a better situation. However, there are many cases where the poor individual or poor households get to know that, by moving, their chances of landing a permanent job and receiving a predictable income are minimal. According to Bekker (2003), under these conditions, such individuals and households often migrate, because they are attracted by better facilities they can get elsewhere, they go away in search of superior infrastructure – land and improved housing, water and sanitation, electricity, and better transport as well as better school and health facilities. This second engine of migration, which operates for many poor South African households and individuals, takes place due to the pull factor.

2.2.2 Overview on migration internationally

Traditionally migration has been associated with the process of industrialisation, economic development and the growing demand for labour in urban centres (Oberai & Singh, 1983). Presently, population shifts from rural to urban areas in middle income and developing countries follow a similar pattern to what happened in the now developed countries during the Industrial Revolution (Balán 1981). In many countries, the urban-biased development policies invariably stimulate movement towards urban and industrial areas, with their booming mining, plantation and processing industries, both within and between countries. Roberts (in Balán, 1981) finds similarities in his comparative study of migration and industrialising economies



of Manchester, Barcelona and Lima, in the context within which different patterns of migration and industrialisation processes emerged..

In recent years extensive literature has been produced on migration. Laczko, Appave and Pinto Dobernig (2005), edited a series of studies conducted under the auspices of the International Organization for Migration (IOM), focused on the contribution internal migrants make to local and national development, including poverty reduction, and how this can be complemented by strategies to reduce the risks of migration for poor people in Asia. Countries such as China, Bangladesh, India, Pakistan, Vietnam and Sri Lanka were covered in these studies. Usher, (2005), analyses the Millenium Development Goals and Migration. Earlier on, Balán (1981), edited case studies on migration in Latin America, Asia, Mexico, Africa and Eastern and Western Europe presented at an international symposium.

Oosthuizen and Naidoo, (2004), analysed the quantified and described internal migration to and migrant labour in Gauteng by using the 2001 Census and the September 2002 Labour Force Survey. They found out that a large proportion of Gauteng residents were born outside the province, moved into the province in the inter-census period, indicating a relatively mobile population. One of their main conclusion was that, through remittances, the economic situation of the Gauteng province and the migrant workers may have important consequences in the rural areas of the provinces of Limpopo, Eastern Cape, KwaZulu Natal and Mpumalanga, where most migrants come from. Posel, (2003) focused on the expected shift away from migration labour system in South Africa, from the 1990s, to concerns with immigration into South Africa. The paper, however, goes on to prove that there is no evidence nationally to support the assumption that circular labour migration ended, or even declined during the 1990s, as it assumed by some researchers. Moreover, the rural to rural migration experience especially on commercial farms and mines still continues as before.

Oberai and Singh, (1983) and Connell et al. (1976) carried out extensive studies to analyse the process of internal migration in India. Stark has researched and written extensively about rural to urban migration in least developed countries (LDCs), (for example in Stark, 1976, 1984 and 1991). Adams (1994 and 1996) analysed migration



remittances and inequality in Pakistan and Egypt respectively. Toure and Fadayomi (1992) edited a series of studies carried out in selected sub-Saharan African countries. These studies were conducted under the auspices of the Council of Development of Social Sciences Research in Africa (CODESTRIA) and involved the following countries: Southern Africa: Lesotho and Zambia in Southern Africa; Tanzania; in East Africa; The Central African Republic and the Congo in Central Africa and Ivory Coast, Nigeria and Senegal in West Africa. Taylor, Zabin and Eckhoff (1999) investigated migration and its effect on rural development in El Salvador, while Cross et al. (1998) focused on the dynamics of migration in South Africa. Most of these studies were done in developing countries since the vast majority of the world's migrations currently taking place, originate in rural areas (Taylor, 2001). The effects of migration on rural inequality studied in this research are discussed in Chapters 6 to 8.

According to Balan (1981), the increase in migration studies since the 1960s has been a response to a growing interest among policymakers and planners in population growth and urbanisation. Rural to urban migration, which has been singled out as a crucial form of mobility, has been clearly evident in migration studies. In the 1950s and 1960s, economic issues, such as the equilibrating features of labour force transfer, industrialisation, disguised unemployment, growing squatter settlement and the pressure placed on urban services by migrants, and policy concerns were reshaped by the interests of economists in migration (Balán, 1981).

The focus of these studies has been the extent of rural-urban migration in past years, which has greatly exceeded the capacity of modern industrial and other urban sectors (Oberai & Singh, 1983). Modern economic research on migration is often traced back to Lewis' (1954) so-called seminal work on economic development with unlimited supply of labour based on the concept of a dual economy. Lewis seeks to explain economic development under what he terms situations of unlimited labour supply. Expanding, high productivity and modern capitalist sectors (usually urban), with industries and output and employment growth, draw labour from traditional, overpopulated, non-capitalist rural subsistence sectors, which are characterised by low or marginal labour productivity. Fei and Ranis (1961) extend the labour surplus theory in the two-sector model, so that rural-urban migration is seen as a response to



the high demand for labour by the industrial sector. This demand assures greater levels of productivity for workers and positive profits for investors. The labour surplus model is consistent with the Kuznets' (1955) so-called inverted-U hypothesis, in which income inequality increases during the early stages of economic development and declines when all surplus labour has been absorbed into modern sector employment. The model is discussed in detail in Chapter 3.

2.2.2.1 Characteristics of migrants

Migrants are not a random sample of the population of origin; authors, such as, (Oberai & Singh, 1983; Clark, 1986 and Testaye & Yisehac, 1998) write that migration is selective on the basis of one or a combination of characteristics. Age, sex and social and occupational characteristics of migrants are important variables affecting household and individual choices regarding migration. It is important therefore, to understand the way in which the process is selective and how that selection occurs. There are two types or categories of reasons why migration is selective, namely:

- i) Environmental forces in the areas of origin and destination (the “push” and “pull” factors, respectively), and
- ii) Different responses of the people to those forces.

The factors which are externally determined (i.e. the environmental factors) can operate in the receiving society, and may include the demands of an industrial labour market seeking certain skills and occupations, or in the sending society, for example, famine, drought, disease, likely employment opportunities and inheritance customs. The response of individuals to these may depend on such things as the age, education, the stage they have reached in their life cycle, the strength of their bonds to the communities, their ability to meet transportation costs and their knowledge of conditions in the potential area of destination. The manner in which all these variables operate will affect the form and selectivity of migration. Figure 2.1 presents the factors that may contribute to the migration decision making process in a household and even by individuals.

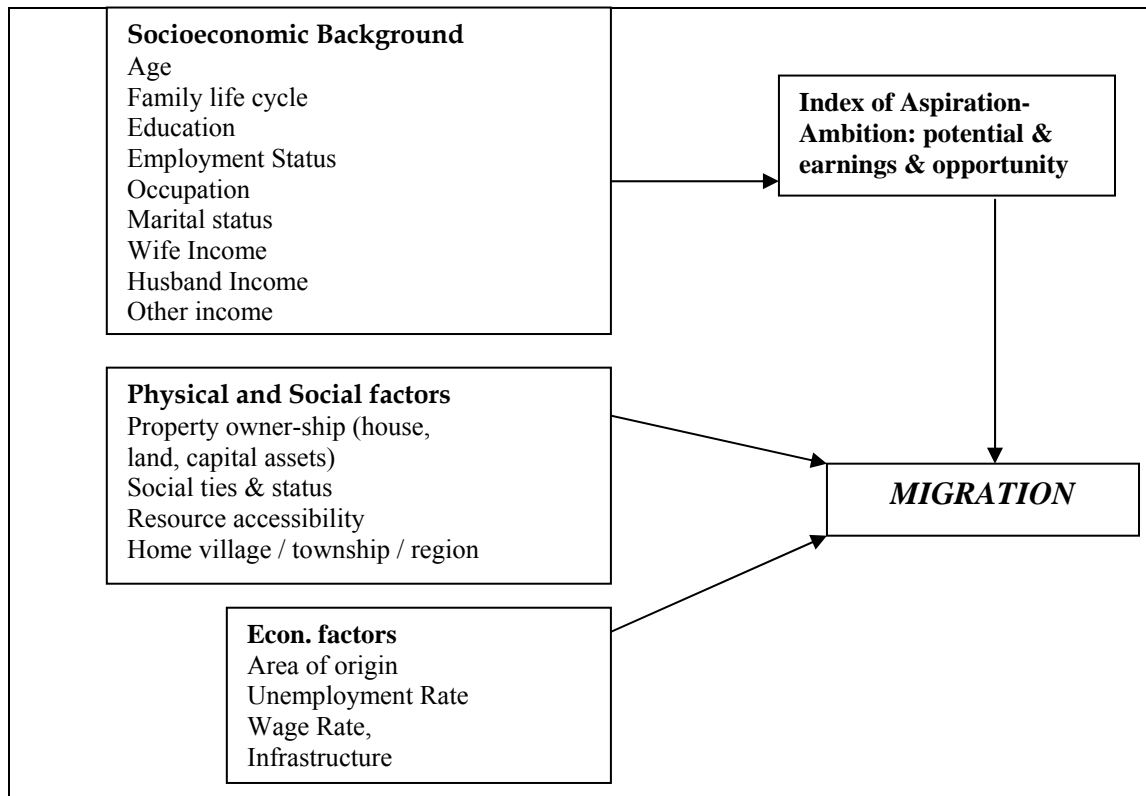


Figure 2.1: A General framework of the household-migration decision-making process

Source: Kim, J., 1979, p. 39. Why People move: Moving Decisions and directionality in migration analysis (with adaptation)

There are no universally sets of push and pull factors, but the following list, developed by the National Resources Institute University of Greenwich (1999) includes most of the factors considered to be important by different interest groups.

i) *The Push factors include:*

- Population growth
- Increasing scarcity of arable land and decreasing access to fertile land
- Decreasing fertility and productivity of land
- Decline of the natural resource basis
- Declining return to farming
- Increasing monetarisation of people's lives
- Temporary events and shocks



- Lack of access to farm input markets
- Absence of well-functioning rural financial and other economic institutions

ii) *Pull factors include:*

- Higher return on labour in urban and rural non farm sectors
- Higher return on investments in rural non-farm sector
- Economic opportunities, often associated with social advantages, offered in urban centres and outside one's own region
- Attractiveness of urban life in particular to young people

2.2.2.2 Effect of age and education of the migrant

It is often stated that the migrants tend to be disproportionately younger, better educated and more innovative than those who stay. One of the first and still most significant findings from studied of migration world over is the role of age in distinguishing migrants from non-migrants. Young adults between the age of 20 and 35 are among the most migratory segments of the population. Clark (1986) affirms that this is true for different cultural contexts and at all spatial levels. Migration studies in developing countries (Oberai and Singh 1983) found that migration, especially rural to urban, is predominantly composed of young adults (15-29 years), and largely educated than those remaining behind. The young are said to have a high propensity to migrate because the returns on investment in human capital decline with an increase in age. On the other hand, older people tend to develop stronger attachments on their properties and families. This is more so if migration is for reasons other than employment, such as migration for marriage and for education, both of which are common among lower age groups.

The educated are known to have a higher propensity to migrate, because they can earn relatively higher incomes in peri-urban and urban than in rural areas (Todaro, 1997; Tesfaye & Yisehac, 1998); for them the rural-urban differences in incomes are much greater than for the less educated. Furthermore, where economic growth and



technological problems have stimulated migration it will attract the better educated and skilled.

According to Todaro, (1997), migrants with considerable human capital in a form of secondary, university and technical college education have better opportunities; many of these will find formal – sector jobs relatively quickly. In the case of migration for education, the choice is not simply between better education in towns and cities and poorer in the rural areas, but between additional education opportunities in the towns and cities and little or no further education in the rural areas. Also, the preference for farming and manual work declines with education while the attraction of white-collar job increases. Tesfaye & Yisehac, (1998) found that migrants from the rural areas in Botswana tend to come from larger households and these migrants are often in the age group 21-45 years, better educated, and engaged mainly in wage employment. One may argue that large household may have surplus labour to send out and or adequate resources to sponsor migration of some members of the household.

2.3 THE CAUSE AND EFFECT RELATIONSHIP BETWEEN INEQUALITY AND MIGRATION

2.3.1 Land distribution affects migration

Most available literature shows that unequal rural distribution of assets causes out-migration; there are, however conflicting views about this. Studies completed in India provide a richer literature on the distribution of rural and agricultural assets than compared to other countries at a similar development level. The findings of the 1960s and early 1970s Indian village study show a link between inequality and rural-urban migration. The study, which was carried out in forty Indian villages, suggests that high migration from villages is closely associated with unequal distribution of resources, usually land and associated assets (Connell et al. 1976). In the report, the researchers stated: “Our analysis of data from forty Indian villages suggests that high



emigration from a village is intimately associated with unequal distribution of resources (usually land).”¹³

Nevertheless, in the literature there are conflicting views regarding land distribution and migration. Some studies support the view that the lack of land and other assets pushes people to migrate; for example an analysis of the Latin American countryside (Shaw, 1974) found strong empirical support for the argument that farmers’ limited access to land is inversely related to the exodus from the countryside. Likewise, a study of the impact of land reform in Iran in 1962-72 on rural inequality and the impact of rural inequality on rural out-migration (Mohtadi, 1986) found that in transforming the Iranian sharecropping arrangements into modern capitalist ones, land reform had an unequalising effect. It split an earlier homogeneous class of sharecroppers into two subclasses: small capitalist farmers (owner-cultivators) and landless farmers, dispossessed of earlier sharecropping rights. Mohtadi (1986) investigated the subsequent migration of each new subclass and found that the propensity to emigrate is significant in both groups, but particularly so among the landless.

On the other end, other analysts (Peek & Antolinez, 1980 quoted in Adams, 1993) maintain that medium-sized landowning farmers have the lowest propensity to migrate, yet others (such as El-Dib, Ismael & Gad, 1984 quoted in Adams, 1993) have found that landless people, especially landless agricultural workers, have a high propensity to migrate. Bilsborrow et al. (1987) found an inverted U-shaped relationship between land and migration, implying that farmers owning medium-sized plots of land are the most likely to migrate.

Lipton (1980) argues that both poor and rich migrants tend to come from the same villages. According to Lipton, while better-off migrants are ‘pulled’ towards fairly firm job (or education) prospects, the poor are ‘pushed’ by rural poverty and labour-replacing methods. He argues that ‘push’ and ‘pull’ migration are twin children of inequality in the same sort of village; but they are also sources of new inequality” (Lipton, 1980, p. 4). In a review of the literature, Lipton (1982, p.197) finds that variances in rates of migration are determined by unequal landownership in Bihar,

¹³ *Connell et al., 1976, p.10, also quote similar links in other studies in Nepal and West Africa. They emphasize that single-factor analyses of land-based determinants of migration are inadequate.*



Ivory Coast and Nepal and by unequal education in Colombia, Brazil, Liberia, Ghana, Kenya and the Philippines.

Prahladachar (1987) analyses some aspects of asset structure in the state of Karnataka (India). The results reveal on unequal and skewed asset distribution, even though distribution has improved somewhat as a result of a reduction in inequality amongst cultivator households. However, the distribution of assets between cultivators and non-cultivators is extremely skewed. Inequality in land distribution leads to discrimination between cultivator classes. Prahladachar suggests that land reform could moderate this effect if other income increasing assets, such as machinery and equipment, irrigation and draught animal power are more evenly distributed.

Sharma (1988) carried out a similar study in Himachal Pradesh to analyse the distribution of productive and unproductive assets, with a sample of farmers from three villages. The productive assets included land, dairy animals, draught animals, traditional implements and farm buildings. The findings indicate that the distribution of unproductive assets is more unequal compared to productive assets. This makes sense, since unproductive assets are likely to include some “luxurious” goods, which poor people cannot afford. The farms and farm buildings and dairy animals accounted for 90% of the total assets owned by households. Another important finding is that operated land is much less unequally distributed than owned land. This positive indication implies that land rentals contribute towards easing the problems of optimal farm size for those owning small land holdings.

De Haan (1997) referring to his study in Bihar, India, argues that migrants are both landowners and people who work on the land. They migrate and they keep the land when they migrate because they do not want to depend on others. De Haan (2004), in assessing literature from other studies, indicates that some findings are context-dependent; for example a survey in India in the 1980s showed how migration dynamics differ across states. In Bihar, the landless and poor were more prone to migrate, in Kerala the middle peasantry migrated more and in Uttar Pradesh all the landed groups, except the largest cultivators, had a relatively high propensity to



migrate.¹⁰ Longitudinal research in Palanpur in Uttar Pradesh, India showed that in 1983/84 higher castes were more prominently represented among migrants, while lower castes had seized the opportunities for outside jobs in earlier years (Lanjouw & Stern, 1989, p.17).¹¹

In a study of economic and demographic determinants of international migration in rural Egypt, Adams (1993) found that a combination of income and wealth (in the form of land) has an inverse impact on migration, that is, as the product of these two variables increases, the propensity to migrate falls. He argues that rural Egyptians, who are richer and wealthier, feel less of a 'push' to go to work abroad and more of a 'pull' to stay at home to enjoy the economic opportunities associated with landholding. It is the poor and landless males, rather than middle-income males, who have the highest propensity to migrate. This is despite the considerable travel and opportunity costs associated with international migration. Males who are poor and landless are usually able to find or borrow the money needed to get abroad.

In another study, Adams (1996) investigates the effects of different types of remittances on inequality by measuring the effect of external and internal remittances on income distribution, asset accumulation and rural inequality in rural Pakistan. He used data gathered over three years (1986/87 to 1987/88) from 727 households. The results show that it is mainly lower income groups that earn internal remittances and that such remittances form an important component of the incomes of the households at the bottom income quintile. Therefore, internal remittances in Pakistan account for only a small proportion of overall income inequality (less than three per cent). Upper

¹⁰ Oberai et al (1989). In Bihar, 15 % of the out-migrants belonged to the lowest income class, while 7 % of the total population sample belonged to this income group. However, these figures excluded remittances. Of the migrants, 72 % remitted to the family, but within the lower income groups, the percentage of remitters was higher: remittances formed 93 % of the income of the migrant households in the lowest income group.

¹¹ In Burkina Faso, Singh and Anayetei (1996/97) found that people with less land migrated more. Song (1997), using survey data from Hebei province, China, concludes that migrants came from households suffering 'absolute disadvantage' in farming.



income groups are involved in international¹² migration and earn external remittances, which account for 12% of overall income inequality, thus increasing inequality.

2.3.2 Asset distribution (other than land) affects migration

Land is often considered the primary source of economic inequality and social differentiation in rural areas (Robinson, 1956; Nurske, 1962; De Janvry, 1975). However, unequal wealth accumulation and income inequality also occurs as a result of unequal access to capital and other productive assets (Julka & Sony 1988). Other studies on the distribution of fixed productive assets in the rural areas of developing countries show that this distribution tends to be highly concentrated in the hands of a few (Shen, 1995). Those households that control large holdings of land also tend to monopolise stocks of productive assets.

The study by Hassan et al. (1989) analyses the distribution of productive assets other than land and water in a unimodel model of farm resource organisation in Sudan's Radad Irrigation Scheme as the key to explaining rising inequality. Capital is an important production resource that is privately owned and allocated by tenant households. Therefore, the impact of differential access to capital assets on the distribution of net household income and end of the wealth was assessed. The results (Hassan et al., 1989) show that the richer farmers, who control substantial stocks of productive assets in various farm and non-farm activities, accumulate more wealth and resources over the years, leading to greater income differences. In contrast, the poorer farmers suffer negative wealth changes; they do not save and become relatively poorer. Owing to a lack of access to institutional credit, many households liquidate physical assets or resort to wage labour and other non-farm income activities to finance their production and marketing requirements. The broader implications of the differential access to capital assets is the differential on and off farm investment opportunities and unequal status of farmers participating in the capital and labour markets. The plight of the poor households is partially relieved by off-farm work and out-migration of family members to earn wages from other occupations.

¹² *International migration and remittances are not discussed in details in this study.*



In a study of the agrarian transformation of China, McKinley (1993) found that a consequence of the reform is that land is more equally distributed than fixed productive assets. Also, unusual and unique to China is the finding that the distribution of income is more unequal than the distribution of wealth. In most developing countries, the distribution of wealth is much more concentrated in the hands of a few than the distribution of income (McKinley, 1993), mainly due to concentration of land and fixed productive assets in the hands of the few. All the same, rural-to-urban migration in China, which has been shown to be the highest in the world at the present moment (Shen, 1995; De Brauw et al., 2001), is partly associated with unequal distribution of productive assets other than land.

2.3.2.1 Human capital and rural inequality

Human capital should be mentioned because it is usually ignored. Birdsall et al. 1997 produces empirical evidence (for Latin America) that suggests that the initial distribution of assets, especially of human capital, affects the performance of an economy. The results further show that the initial inequalities in the distribution of assets, especially of land and human capital (education and skills training), have almost twice as great a negative impact on growth for the poor as for the population as a whole. These findings support Lipton's (1982) review (see section 2.3.1).

Research on migration in Western Kenya shows that migration in that country also increases differentiation, however, not through agriculture but through investment in education (Francis & Hoddinott, 1993). Similarly, Ferreira (1996 quoted in Kirsten & Kirsten, 2000), in a study of poverty and inequality in Tanzania, finds that distribution of human capital makes a difference even where land is not a determinant of income distribution. She singles out human capital as one of the three most important assets of rural households, together with land and livestock. The better off households tend to have higher levels of education. The inequality in human capital ownership is more striking between genders, with women more likely to be illiterate than men. The relatively better-educated members of the rural population have better opportunities in the rural areas. At the same time, they have higher propensity to migrate than their counterparts with less education (Francis & Hoddinott 1993).



2.4 RURAL INEQUALITY AND MIGRATION IN SOUTH AFRICA: PAST AND PRESENT

This study starts from the premise that the prevailing conditions in the rural areas of South Africa's former homelands generally, and in Limpopo Province in particular, are the result of historical process and apartheid policies. The distribution of natural resources in South Africa, especially of land and associated resources (water, wetlands, forestry, etc.), was until recently, highly skewed (Woolard & Barbarton, 1998). This, according to Njobe (1993) was a result of four centuries of conquest, occupation, denial, expropriation, transfer, purchase and consolidation, which resulted in a pattern of distribution of resources which was highly in favour of minority occupation. The unequal distribution of land and other resources transcend boundaries of provinces, regions, districts, areas and even villages.

These facts notwithstanding, the study takes into account the other school of thought that, despite the historical biases migration has always been considered by rural dwellers as another option to improve their livelihood. Delius (1983) shows that the Pedi people, including those from the Limpopo, participated in labour migration as far back as the 1830s, almost four decades before the conquest of their society in 1879. Thus, the opening of the Kimberly diamond fields in 1869 merely presented improved employment opportunities for a people already deeply engaged in the labour market. It is known that even at that time, the driving force to migrate was a desire to increase income. The same is still true today, when able bodied men and women.

In Limpopo, findings from our sample confirm the later school of thought; the majority of non-residents moved away from home to find a job away from home. Other reasons for migration indicated included: seeking for a job opportunity staying with a family member who has a job in the city and some times work was combined with education.

For decades ownership of land and associated assets were the major sources of economic and social inequality in rural South Africa. The presence of inequality has been documented in a number of studies, including Eckert, 1991; Houghton and Walton, 1952; Magubane, B., in Safa and Dutont, 1975; Cater & May (1997); May,



1998; Cross et al, 1998, (see Chapter 1, section 1.3.) Within the agricultural sector, 86% of agricultural land is owned by about 55 000 commercial white farmers, while the majority of the country's black population owns only 14% of total farm land (Kirsten & Kirsten, 2000). With the land reform programme, the situation is changing, but very slowly. Black people are either claiming their long expropriated land or buying new land from willing sellers. The progress made with the land redistribution programme has not met with initial expectations (ref. section 1.3.1). Studies that have analysed differentiation between landowners and other households in different provinces of South Africa confirm these disparities. In 1999 amendments to the Restitution Act No 22 of 1994 were passed by Parliament and Section 42 D of the Act gave powers to the Minister to make awards based on negotiated settlement agreements. This administrative approach resulted in a phenomenal and exponential increase in the number of claims settled. By May 2003 in excess of 36 488 claims were settled, equivalent to 89 573 hectares.

The issue of land scarcity can be demonstrated with a number of examples; Nieuwoudt and Vink (1989) estimate that the average farm size in KwaZulu Natal is about 0.75 ha. They concluded that, in addition to landlessness, inequality of land ownership and associated assets among cultivating households is an important “push” factor out of agriculture.

A case study of the Eastern Cape rural community in Rabula by De Wet (1995) highlights the importance of land ownership and land tenure in economic differentiation. From the results, De Wet concludes that the landowners are substantially better off, in material and human welfare, than the landless and those with limited land-holdings. Moreover, they are able to use their superior education and income levels to secure better paying jobs and to improve themselves. Table 2.1 illustrates the clear differentiation.

A study by May (1987), shows that there is considerable inequality amongst rural households, especially at low income levels. The results show that inequality is, to a large extent, linked to the participation of rural households in the wage economy of South Africa at that stage. It is evident from the May's (1987) findings that the



distribution of land and livestock among rural households is particularly unequal, with the distribution of labour power even so.

Cater and May (1997), May (1998) and Roberts and May (2000) use the findings of the Project for Statistics on Living Standards and Development (PSLSD) survey, undertaken in the last half of 1993. PSLSD is considered as a South African milestone because it was the first nationally representative, multi-purpose household survey.

Table 2.1 Economic indicators differentiating landowners and other households in Rabura, Eastern Cape

	Land owning households	Other households
Annual cash income (1987)	R4 770 (100% of households)	R2 444 (51% of households)
Years of education per adult	8.51	7.16
Percentage of households owning livestock:		
Cattle	82%	16%
Sheep	32%	0%
Goats	86%	83%
Average household livestock holding		
Cattle	7.85	0.16
Sheep	10.39	0
Goats	11.04	5

Source: De Wet (1995)

It was conducted nine months prior to the country's first democratic elections in April 1994 and thus signifies an important baseline against which to monitor the progress of the government in its determination to reduce poverty and inequality (Klasen, 1997).

The PSLSD study, which incorporated a large sample of households (approximately 8800 households nationwide, of which 4 259 were rural African households), shed some light on rural inequality and poverty in the entire country. The results from the survey revealed, inter alia that:

- (i) The high levels of income inequality across race groups in South Africa, measured by the Gini co-efficient (0.58 in 1993), were among the highest in



the world.

- (ii) By engendering a situation of inequitable access to employment, services and resources to the African population, apartheid policies resulted in poverty being characterised by a strong racial dimension.
- (iii) Poverty and inequality are geographically concentrated, with the largest share of the poor (72%) residing in the rural areas, especially the homelands.
- (iv) Only over a quarter of African rural households have access to a plot of land for crop cultivation. The average land size for these households is estimated as only 2.2 hectares.
- (v) Livestock ownership revealed a similar pattern with only 24% of African households in the rural areas owning livestock with an average holding of 5.4 mature livestock units (MLU), valued at about R 4 300. The livestock situation could have been exacerbated by the drought conditions and the increase in densely populated rural settlements, which have limited grazing land.

Cater and May (1997) gave some estimates of ownership of agricultural and other productive machinery and equipment for the rural African households. Only 18% and 8% respectively owned such assets. This implies not only a limitation on agricultural production but also on non-farm economic enterprises that could generate income.

However, rural households were found to be relatively better endowed with human capital compared to other assets. In 78% of the household have at least one adult member was functionally literate and 37% of the households had at least one adult member with 10 or more years of education. Only 30% of the households had a pensionable person and 35% had at least one member of the family who was a migrant worker away from home.

May (1998) reviews the extent and nature of poverty and inequality in South Africa as a whole and assesses the current policy framework for the reduction of both. The report attempts to provide clear conceptual and practical guidelines concerning the issues, which need to be taken into consideration in the formulation of policy. The report shows the increasing significance and important developmental concern attached to the reduction of poverty and inequality in South Africa.



The empirical findings in the different studies reviewed above indicate the level of land scarcity for rural African households, while the small proportion of the population, mainly whites own almost all the arable land. The implication of this is twofold; first that the amount of land remaining available to Africans is simply too little; even if they were to share it equally it would be inadequate. Thus meaningful interventions towards reducing inequality of land holding within or among African villages should start with securing more land from white owners to increase the village resource base. Secondly, as long as the people in the rural areas continue to face land scarcity they will continue to look elsewhere for opportunities to sustain themselves and their families, thus, migration of people from their home villages to other rural areas (especially to the commercial farms) and to the cities will continue.

2.4.1 Historical perspective of rural inequality and migration in South Africa

The phenomenon of migration in South Africa is unique and differs from the general patterns and processes of migration. According to the Migration Studies of the Open University (1982), migration concerns people moving spatially at various times of their lives for varying motives. Such movement is assumed to be voluntary, with decisions made by the migrants and /or their families. However, in the case of South Africa, rural out-migration was initially designed to supply labour for commercial farms, and later for the diamond and other mines.

According to Magubane (in Safa & Du Toit, 1975), from the very beginning of white colonisation, the African population was targeted for labour. A policy of conquest was instituted that did not only destroy the population but also deprived it of its land and resources for subsistence, thus reducing it to a mere instrument of economic activity. The African reservations, in which they would find it hard to continue any form of independent subsistence, was designed to make the African people totally dependent on their “masters” for existence. These reserves, which started off as merely places in which Africans were to be protected for their own sake, were turned into autonomous, so-called, homelands or “Bantustans” or self governing states under the apartheid policy, until 1994. This is one of the few cases where Karl Marx’s prediction and



fears (Gillis et al., 1996, p.87) were vindicated. Marx predicted that capitalists have an incentive to create a “reserve army of the unemployed”, whose brooding presence ensures that the wages of employed labourers stay at the subsistence level. Under the new dispensation, South Africa is united but the legacy of the policies of separate development lingers on.

Despite the new labour rules and regulations, and a very strong labour movement in South Africa the miners and farm workers in South Africa remain vulnerable and are still considered the lowest wage earners. Without other skills and resources (land, capital) many miners and farm workers have very few options, if any, for income generation, but to remain migrants selling their labour cheaply. In the Limpopo study the majority of the migrants (40.4%) found employment in the industrial and mining sector, a further 29% were employed in the tertiary sector and 3% were employed on farms. It is reasonable to expect that migrants with access to better information (most likely from relatively richer households) will take up better paying jobs in the industrial sector and to a lesser extent in the mining sector. Poorer migrant end up on farms, either because they are closer to their villages or because they cannot afford the costs of relocating to far places in the cities.

Migration was synonymous with “work” for the majority of black South Africans, especially from the rural areas (Magubane, 1975). The areas that were allocated as African reserves towards the end of the nineteenth century, and which became “Bantustans” or “homelands” following the 1913 Native Land Act and the Native Trust and Land Act, covered only a portion of land originally occupied by Africans (Baber, 1996). The legacy of a long period of exploitation and appropriation, during which the African communities were deprived of their means of subsistence and set aside as labour reserves, made them almost totally dependent on migrant wage earnings and other transfer income sources, such as pensions. Many households found it hard to sustain any form of independent existence based on agriculture, except through the sale of labour as mineworkers, and later, as farm workers, housemaids and garden-boys (Magubane, 1975).

The extent to which these areas failed to provide adequate base for African agriculture and other forms of livelihood is indicated by the 1936 census. Of all Africans in the then Transvaal, 37% lived on white-owned land, either as sharecroppers or as tenants,



while 47% lived in the former homelands (cited in Beinart, 1994). According to the 1996 census data (Statistics South Africa, 1996), the main incomes sources of the rural former homeland populations are wages (52%), social transfers (18%) and remittances (14%). The poorest rural households have neither access to social pension nor links to the urban labour market through own employment or migrant remittances. Agriculture production, with the poor resources described earlier, offers little scope as income source for most rural households. Rural poverty is strongly influenced by the nature of rural-urban interactions through migration, thus, to come to grips with rural poverty an understanding of the dynamics of migration is required.

The former homelands faced increasing pressure from growing populations, not only from high internal population growth but also from having to absorb ex-tenants and ex-farm workers, and later, the victims of forced removals. The South African White Paper for Population Policy Development (1996, p. 31) states that the most important underlying factors for the high rate of internal migration were forced removals of African people from the commercial farms to the homelands from the 1960s until the early 1990s and the continuing migrant labour system. The endemic, overcrowded areas and exceedingly small farm size are certainly important “push” factors in the former homeland rural regions. Areas, such as Lebowa, demonstrate the adverse impact of overcrowding in an unsuitable communal area. Faced with desertification, soil erosion, salination and the pressure of settlement development, the task of improving the quality of lives of these people has become almost impossible. Therefore, large numbers of the impoverished population, which relied heavily on agriculture, resort to migrating to other areas in search of better opportunities. For decades, there simply has not been enough land, water or information to support serious farming and other rural livelihood systems for black communities in rural South Africa. Out-migration of one or more members of a household has always been an important component of survival and risk aversion.



2.5 RURAL INEQUALITY AND MIGRATION IN THE LIMPOPO

2.5.1 Background and setting

The Limpopo Province is situated in the northeastern corner of the Republic of South Africa. It has a population of 5.31 million, which is made up of several ethnic groups distinguished by culture, language and race. The Northern Sotho (Sepedi) at 57% is the largest portion of the population. The Tsonga (Shangaan) speakers comprise 23 % while the Venda makes up 12 %. Afrikaans speakers make up 2.6 % while English speaking whites are less than half a per cent.

The province is divided into four regions, namely: the Capricorn Region, the Bushveld Region, the Soutpansberg Region and the Valley of the Olifants. Within the borders of the province are four previous administrations which were created during the apartheid era: Lebowa, Gazankulu, Venda and Transvaal Administration. Another unique feature of this province is that it shares international borders with three countries: Botswana to the west and northwest, Zimbabwe to the north and Mozambique to the east. Therefore, the Limpopo Province is the link between South Africa and countries further afield in sub-Saharan Africa. On its southern flank, the province shares borders with Gauteng, with its industrious Johannesburg-Pretoria axis. Potentially, the province is placed at the centre of the vortex of developing regional, national and international markets.

These connections are well served by excellent road, rail and air links. The N1 route from Johannesburg which goes through the length of the province is the busiest overland route in Africa in terms of cross-border trade in raw materials and beneficiated goods. The port of Durban, Africa's busiest, is served directly by the province, as are the ports of Richard's Bay and Maputo. The Gateway international airport, situated in Pietersburg (now also known as Polokwane), the capital of the province, is another significant facility in the province. This is complimented by the presence of other airports in major centres of the province including [Elisras (Lephalale), Louis Trichardt (Makhado), Messina (Musina), Phalaborwa, Potgietersrus (Mokopane), Thabazimbi, Tzaneen, Thohoyandou and Warmbaths



(Bele-Bela)]; the new names are in brackets. The province is also linked to the Maputo Development Corridor through Phalaborwa Spatial Development Initiative. This network of road and rail corridors, connecting to the major seaports, will open up the Limpopo Province and surrounding regions for trade and investment.

The Limpopo Province is also endowed with mineral resources, with mining as the critical economic activity in the province. Mining contributes 22% of the gross geographical product (GGP). Minerals include platinum, chromium, nickel, cobalt, vanadium, tin, lime-stone and uranium clay. Other reserves include antimony, phosphates, fluorspar, gold, diamonds, copper, emeralds, scheelites, magnetite, vermiculite, silicon, mica, black granite, corundum, feldspar and salt. Already the Chinese company, Rockfield Pty., has set up a granite mining venture here with the raw material being processed into mosaic tiles.

Despite this rosy picture, the villages in the Limpopo Province, like elsewhere in rural South Africa, are still essentially agrarian in nature, sharing some common village resources and using communal land. In South Africa communal land tenure is mainly practised in the former homelands. In these areas land is under the control of local and district authorities (headmen and tribal authorities) or residents associations that allocate land to individuals (mainly adult males). Land is allocated by means of certificates called '*Permission to Occupy*' (*PTOs*), which are approved by the headmen and magistrates (Kirsten et al., 2000). As land and other resources are scarce in the rural areas, the size and distribution of land and other productive assets are in most cases unequal.

This section gives evidence of rural inequality and migration in the Limpopo Province from the literature. The section will be used as a reference point with which to compare the empirical evidence of this study. A detailed account of the empirical results from the survey is presented in Chapter 5.



2.5.2 Some important indicators

The population of Limpopo increased from 4.9 in 1996 to 5.31 million (11% of the population of South Africa) in 2001; this is according to the Census 2001, published in 2003 by Statistics South Africa. This implies an annual population growth rate of 1.3%. The 1996 Census results indicated that overall, total employment in the economy was about 9 114 000, of which about 1 800 000 were informal job opportunities. About 22 % of the economically active population was unemployed, numbering about 2 000, 000 work seekers. A further 2 200 000 people wanted to work but were no longer actively seek employment after trying and failing for a long period of time. The figures have since changed slightly, the 2001 Census Report indicate the employed people to have increased to 11.2 million, while the unemployed people increased to 4.9 million. According to the Census 2001, the figures for Limpopo, show that 22.7 per cent of the population working age (15-65 years) were employed, 21.6 per cent were unemployed and 55.7 per cent were not economically active. The implication is a high dependence ratio in Limpopo which does not auger well with poverty alleviation.

2.5.3 Equitable distribution of resources

According to the 1995 October Household Survey National Census, 44.5 % of the households in the Limpopo Province had no cash income. This correlates with the present unemployment rate of about 46 % (Census 1996). New jobs should accommodate the very poor and should address the current income and asset inequalities through redistribution and fair trade. The broad strategies for job creation and economic development are articulated in the “Growth and Development Strategy in the Limpopo Province (GDS-NP) of 1997/98” which was adopted by the Provincial Executive Council in 1997. The strategy represents a five-year multi-sectoral growth and development strategic plan by the provincial government.

One of the priority areas for implementation of the GDS-NP (1997/98) is increased agricultural production through small farmer support programmes and increased access to economic opportunities via small, medium and micro enterprises (SMMEs)



in a way that fosters employment creation. The five-year plan of the Limpopo Province is to acquire agricultural state land and underused commercial areas to redistribute within the land reform framework to create viable farming units for individuals and groups that have demonstrated a capacity to use the land.

The findings on the income and asset distribution among the households of Limpopo sampled for the study covered by this thesis is presented in Chapter 6, Section 6.5.

2.6 SUMMARY

The available literature, from both international and South African studies in different provinces, indicates that assets are unequally distributed in rural areas, even in China. However, the effect of rural asset inequality on migration has not been extensively studied up to now, as different studies show people across the entire spectrum of asset ownership and distribution migrating for different reasons.

Literature on migration in South Africa in general, and in the Limpopo in particular has to be considered in the context of the legacy of the past system that perpetuated racially-based inequality in asset ownership and distribution, especially of land and other livelihood opportunities. Rural areas were at a disadvantage right from the time that forced removals of people were carried out. As a result of overcrowding access to land is limited and the size depends on family status and characteristics. The land reform programme is working towards solving some of the land distribution issues. Nevertheless, rural asset inequality, especially of land, is a serious ‘push’ factor for out-migration, from the rural areas or at least a move out of agriculture, in Limpopo.