

[Opinion / Columnists](#)

LAND REFORM

NEVA MAKGETLA: Rural areas are still economic backwaters

From ridges in the northern suburbs of Johannesburg, you can admire the sea of trees rolling out to the grasslands beyond. It shows how plants, water and gardeners can transform a few square kilometres into a green paradise. Twenty years after the end of apartheid, the rich have kept their own biosphere, set off visually and physically from where everyone else lives.

BL PREMIUM

01 August 2017 - 06:06



Picture: ISTOCK

Too often, our economic policies are written as if these suburban streets were the norm, rather than the pinnacle of apartheid geography.

The hard fact is that today, more than 20 years after the transition to democracy, your life chances are still shaped largely by where you were born — in a rich suburb, an urban township, or a rural slum set up as a consequence of apartheid's draconian laws on residence rights.

The bland global rhetoric of rural development and land reform often pushes aside these harsh realities. But SA's countryside is like no other. It combines commercial farmland with areas to which people were deported before 1994. The former so-called "homelands" functioned as labour reserves, far from decent land and water as well as cities and for decades starved of infrastructure and social services.

The data show how disadvantaged these regions remain. In 2015, only a quarter of adults had employment in the former "homelands" compared with half in the rest of the country.

The median household income in 2016 was just R2,500, compared with R4,500 in urban areas. The "rural" label suggests that people in the former homelands are all somehow subsistence farmers. In fact, only about a third grow any food at all and well under 1% see agriculture as their main source of income.

Backlogs in municipal infrastructure persist. Even today, only 45% of households in the former homelands have running water, compared with almost 90% in the rest of SA. For electricity, the gap is less, reaching more than 90% nationally.

Inequalities were also entrenched in health and education. In 2016, under 50% of births in the former homelands were attended by a doctor, compared with more than 70% in the urban areas. Just a quarter of working-aged people in the former homelands said they had excellent health, compared with a third in the rest of SA.

Where almost everyone is poor, however, government transfers cannot leverage much in the way of local resources. That means local government spending per person remains unequal

Meanwhile, 30% of adults in the former homelands had matric or a degree, and more than 50% in urban areas. Since 1994, the state has responded with substantial transfers of resources, mostly through investment in household infrastructure, government services and social grants.

In 2016, two in five people in the former homelands got a social grant of some kind, twice as many as in the rest of the country. Where almost everyone is poor, however, government transfers cannot leverage much in the way of local resources. That means local government spending per person remains unequal.

In 2015-16, municipalities located mostly in a former homeland region spent an average of R1,800 per resident. That compared with R8,200 in the metros and R5,100 in other municipalities.

The reason is that in the former homelands, rates and service fees covered just a quarter of municipal spending, with the rest transferred by the national government. The ratio was reversed in the rest of SA, where rates and service fees provided three-quarters of municipal spending. The spatial distortion left by apartheid makes it much harder to fix the problems of unemployment and inequality.

Serious efforts to improve smallholder agriculture and link rural towns into national value chains would help. But it is simply not possible to replicate the public and private investments that built up in cities in every part of SA.

Nowhere in the world is the population and employment evenly spread.

Instead of trying to turn the clock back to the failed project of industrial decentralisation, we have to accept that in a democracy, people can vote with their feet. From 1996 to 2011, according to census data, Johannesburg grew by almost 70%, Tshwane and Ekurhuleni by about 60% and Cape Town by just under 50%. The former homeland

municipalities grew 14%, or less than 1% a year.

The challenge for government across the spheres is to respond to these realities in ways that promote inclusive growth, rather than trying to insulate the existing centres of prosperity. That means the model of trying to evict poor people from the city centres, which Johannesburg now seems to be adopting, won't work. Nor will expanding informal settlements and RDP housing on the peripheries of cities.

Instead, empty rhetoric about densification and agrarian reform has to be replaced with practical programmes and hard decisions about budgets.

- *Makgetla is a senior researcher with Trade & Industrial Policy Strategies.*