



TITLE

Assessing the impact of government intervention on social capital formation and livelihood strategies of rural communities: the case of eThekweni and Ugu Municipalities - KwaZulu Natal Province, South Africa

By

Bhekamachunu Henry Zwelethu Mchunu

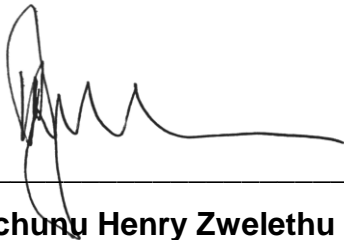
SUBMITTED IN FULFILMENT OF THE REQUIREMENT FOR THE
DEGREE OF MASTER OF ARTS (ECONOMIC HISTORY)
COLLEGE OF HUMANITIES
SCHOOL OF SOCIAL SCIENCES

December 2014

DECLARATION

This study represents original work by the author and has never been submitted in any form to another University. Where use has been made of the work of others, it has been acknowledged and referenced.

The research for this study was performed under the supervision of Gordon Fakude at the School of Economic History and Development Studies during the period from June 2013 to December 2014.



Bhekamachunu Henry Zwelethu Mchunu

24 March 2015

Date

DEDICATION

I dedicate this work to my parents - my mother, Babuyile Joyce Mchunu (née Makhanya) and my father, Mandlenkosi Gabriel Mchunu - for their unwavering belief in the value of education, a belief which inspired and propelled me to persevere against the odds

ISETHULO

Lomsebenzi ngiwethula kubazali bami - umama wami uBabuyile Joyce Mchunu (uMaMakhanya) nobaba wami u Mandlenkosi Gabriel Mchunu - ngokukholelwa kwabo ekubalulekeni kwemfundo, okwanginika ugqozi lokuzinikela nokuphokophelela empumelelweni ngisho sekunzima kangakanani

ACKNOWLEDGEMENTS

For this important milestone of my life I am eternally indebted and grateful to the following people:

My initial supervisor, Professor Hamilton Simelane, who planted the seed of interest in this discipline and with whom I started working on my proposal from as early as June 2011

My later supervisor, Mr Gordon Fakude, who took over after Professor Simelane left the University of KwaZulu Natal, for his assistance and guidance through the many learning curves during the research and writing process

Ms Diane Peters and the staff of Siyavuna Abalimi Development Centre for their assistance in coordinating my field visits and responding to my many questions on the Kumnandi Farmer Project

Ms Paula Osborn, Mr Walter Coughlan and Mr Gabriel Mngoma of the Newlands Mashu Community Development Centre for the insights into the Umbumbulu Partner Farmer Program and the Umbumbulu Agri-hub and for their assistance with coordinating and facilitating my field visits

Mr Vuyo Jayiya of eThekweni Municipality for a comprehensive government perspective on the Partner Farmer Umbumbulu Programme and the partnership between eThekweni Municipality and the Newlands Mashu Community Development Center

Last but not least, member farmers of the Kumnandi Farmer Program and the Partner Farmer Umbumbulu Program for giving of their time to respond to my questionnaires and to be interviewed.

ABSTRACT

Since 1994, there has been a concerted effort by the government of South Africa to support agricultural initiatives – as apparent in the promotion of collective agriculture group initiatives and a deliberate focus on creating a policy environment favoring such initiatives. The cooperative model has been adopted by government as a preferred business model for this purpose. The adoption and promotion of collective action as a model for government intervention in rural development suggests an acknowledgment of social capital as an economic development resource and asset.

The past two decades have also seen growing interest in social capital among social theorists and acceptance of social capital as a resource for minimising transaction costs and transforming trade relations. The earliest known advocate of social capital is Hanifan (1916), a state supervisor of rural schools in West Virginia, United States of America. However, the concept owes its most recent resurgence in popularity to the late twentieth century theorists, particularly Coleman and Putnam (1980s), a sociologist and a political scientist respectively.

This inquiry looks at the impact of government-sponsored intervention on local stock of social capital of rural communities with government's developmental local government and rural development agendas as a backdrop. The small-scale farmer groups of Ugu District and eThekweni Municipalities in the KwaZulu-Natal Province of South Africa were purposively identified and selected for this study due to the involvement of government in both cases, albeit to varying degrees. The central argument of this inquiry is that government involvement in social capital formation could potentially retard voluntary initiative at community level and promote dependency. The qualitative approach and the interpretive paradigm underpin the methodology for the empirical aspect of this inquiry.

Keywords: collective action; self-sufficiency; social capital; sustainability

LIST OF ABBREVIATIONS AND ACRONYMS

AGM	Annual General Meeting
Agri-hub	Agriculture Hub
Agri-SCIP SE	Agriculture Sustainable Community Investment Programme - Small Enterprise
AMC	Agri-Marketing Cooperative
ANC	African National Congress
CFA	Community Farmers Association
CFW	Community Fieldworker
CRDP	Comprehensive Rural Development Programme
EU	European Union
GNU	Government of National Unity
HCM	Hibiscus Coast Municipality
IMS	Infrastructure Management and Socio-economic Development
ISRS	Integrated Sustainable Rural Development Strategy
KF	Kumnandi Farmer
KFP	Kumnandi Farmer Programme
LFA	Local Farmer Association
NDP	National Development Plan
NMCDC	Newlands Mashu Community Development Centre
NPC	National Planning Commission
OECD	Organization for Economic Cooperation and Development
PFU	Partner Farmer Umbumbulu
PFUP	Partner Farmer Umbumbulu
PGS	Participatory Guarantee Scheme
RDP	Reconstruction and Development Programme
SCIP	Sustainable Community Investment Programme
SDC	Southern African Development Community
SDF	Spatial Development Framework
UA	Umbumbulu Agri-hub

UDM

Ugu District Municipality

UMA

Ugu Municipality Area

CONTENTS

DECLARATION.....	i
DEDICATION.....	ii
ACKNOWLEDGEMENTS.....	iii
ABSTRACT.....	iv
LIST OF ABBREVIATIONS AND ACRONYMS.....	v
LIST OF TABLES.....	x
LIST OF FIGURES.....	xi
CHAPTER ONE.....	1
STUDY BACKGROUND AND RATIONALE.....	1
INTRODUCTION.....	1
BACKGROUND TO THE STUDY.....	3
DEVELOPMENTAL LOCAL GOVERNMENT.....	3
RURAL DEVELOPMENT IN SOUTH AFRICA.....	3
GOVERNMENT INTERVENTION AND ACTIVE CITIZENRY.....	4
SOCIAL CAPITAL.....	5
CASE STUDY SUMMARY.....	6
THE PFUP.....	7
THE KFP.....	7
STRUCTURE OF DISSERTATION.....	7
RATIONALE OF THE STUDY.....	7
RESEARCH AIMS AND OBJECTIVES.....	8
RESEARCH QUESTIONS.....	8
RESEARCH HYPOTHESIS.....	9
CONCLUSION.....	9
CHAPTER TWO.....	10
LITERATURE REVIEW AND THEORETICAL FRAMEWORK.....	10
INTRODUCTION.....	10
SOCIAL CAPITAL – THE EVOLUTION AND MEANING OF THE CONCEPT.....	11
SOCIAL CAPITAL DEFINED.....	12
THE WORKING DEFINITION OF SOCIAL CAPITAL.....	23
SOCIAL CAPITAL IN SOUTH AFRICA – AN HISTORICAL PERSPECTIVE.....	24
DEVELOPMENTAL LOCAL GOVERNMENT AND SOCIAL CAPITAL.....	26
RURAL DEVELOPMENT AS DEVELOPMENTAL PRIORITY AREA IN SOUTH AFRICA.....	32
THE SOCIAL CAPITAL ASSESSMENT TOOL (SCAT).....	35

CONCLUSION.....	35
CHAPTER THREE.....	37
METHODOLOGY.....	37
INTRODUCTION.....	37
RESEARCH APPROACH AND PARADIGM.....	38
INSTRUMENTATION: DESCRIBING RESEARCH TOOLS.....	40
THE STRUCTURE OF THE INSTRUMENT.....	41
CASE STUDY AND SAMPLING.....	42
GROUP 1 – PARTNER FARMER UMBUMBULU PROGRAMME (PFUP).....	42
GROUP 2- KUMNANDI FARMER PROGRAMME (KFP).....	42
DATA COLLECTION: PROCEDURE AND PROCESS OF RESEARCH.....	43
DATA ANALYSIS.....	44
CONCLUSION.....	45
CHAPTER FOUR.....	46
EMPIRICAL STUDY RESULTS AND DISCUSSION.....	46
INTRODUCTION.....	46
RURAL DEVELOPMENT, SOCIAL CAPITAL AND COLLECTIVE ACTION IN SOUTH AFRICA.....	47
THE CONTEXT OF THE EMPIRICAL STUDY.....	49
THE STUDY AREA.....	49
THE CASE STUDY.....	54
SIYAVUNA ABALIMI DEVELOPMENT CENTRE (SDC) AND THE KUMNANDI FARMER PROGRAMME (KFP).....	54
THE NEWLANDS MASHU COMMUNITY DEVELOPMENT CENTRE (NMCDC) AND THE PARTNER FARMER UMBUMBULU PROGRAMME (PFUP).....	57
EMPIRICAL RESEARCH FINDINGS.....	61
STRUCTURAL DIFFERENCES BETWEEN THE KPFP AND THE PFUP.....	62
SMALL-SCALE FARMERS’ NETWORKS OF COOPERATION BEFORE INTERVENTION.....	63
FARMERS’ PERSPECTIVES ON DEVELOPMENTAL INTERVENTIONS.....	64
FARMERS’ PERSPECTIVES ON THE ROLE OF LOCAL GOVERNMENT.....	65
FARMER GROUP LEADERS’ PERSPECTIVES.....	67
NPO DIRECTORS’ AND MANAGERS’ PERSPECTIVES.....	69
LOCAL GOVERNMENT OFFICIALS’ PERSPECTIVES.....	70
KEY INFORMANTS’ PERSPECTIVES.....	73
FIELD OBSERVATIONS.....	74
NETWORKS AND SOCIAL CAPITAL COMBINATIONS INVOLVED.....	76

NETWORKS OF COOPERATION	76
SOCIAL CAPITAL AND GOVERNMENT INVOLVEMENT	77
SOCIAL CAPITAL AND NPO INVOLVEMENT	78
SDC NETWORK FORMATION STRUCTURES	78
NMCDT NETWORK FORMATION THROUGH NETWORK STRUCTURES	79
SDC FARMER DEVELOPMENT TRAJECTORY	79
NMCDT FARMER DEVELOPMENT TRAJECTORY	80
SOCIAL CAPITAL STOCK IN THE RELATIONSHIPS AMONG STAKEHOLDERS	81
CONCLUSION	82
CHAPTER FIVE	83
SUMMARY, DISCUSSION, CONCLUSIONS AND	83
RECOMMENDATIONS	83
INTRODUCTION	83
SUMMARY	83
RATIONALE, OBJECTIVES, RESEARCH QUESTIONS AND HYPOTHESIS	83
LITERATURE REVIEW AND THEORETICAL FRAMEWORK	84
METHODOLOGICAL FRAMEWORK	87
FINDINGS	87
CONCLUSIONS	89
DISCUSSION AND RECOMMENDATIONS	92
REFERENCES	100
APPENDICES	106

LIST OF TABLES

Table - 1 Field activities

Table - 2 Differences between the PFUP and the KFP

LIST OF FIGURES

Figure 1a& 1b	Weak Ties and Strong Ties
Figure 2	Bonding, Bridging and Linking Social Capital
Figure 3	Map of KwaZulu Natal Province
Figure 4	Locality Map of the Ugu District Municipality
Figure 5	Locality Map of eThekweni Municipality
Figure 6	An illustration of the KFP relationship and governance structure
Figure 7	An illustration of the relationship structure of the PFUP
Figure 8	Continuum of Farmer Development Process of KFP

CHAPTER ONE

STUDY BACKGROUND AND RATIONALE

INTRODUCTION

The past two decades have seen the government of South Africa adopting a number of policies and strategies aimed at facilitating government intervention in the development of the majority of South Africans previously marginalized by the system of apartheid. One of the key areas which have been prioritized is rural development, with the main focus on the agricultural sector. Among the approaches which government has sought to promote and popularize as a strategy to mobilize resources and facilitate development in these under-resourced communities is that of collective action. Government has acknowledged that “one of the great challenges facing the South African economy is to increase the number and variety of viable and sustainable economic enterprises” [and has set out to create a policy environment that would promote] “the development of emerging economic enterprises and diversify the ownership, size and geographic location of those enterprises” (South Africa, 2004:4). Promotion and support for cooperatives has been identified by government as one of the avenues for creating “a viable, dynamic, autonomous, self-reliant and self-sustaining co-operative movement [which] can play a major role in the economic, social and cultural development of South Africa” (South Africa, 2004:4). Accordingly, government has passed legislation and developed policies to regulate the establishment and management of cooperatives. The Cooperative Act outlines principles which cooperatives must comply with. These principles stipulate how membership is determined; who can use the services of the cooperative; how the cooperative is capitalized and how the returns are distributed and shared (South Africa, 2005:14). This acknowledgment by government of the usefulness of collective action as a model through which government can intervene in rural development suggests an appreciation of social capital as an economic development resource and asset.

It is important to note that, while the responsibility for creating a favorable policy environment for rural development in general and cooperative action in particular lies

with the national sphere of government, the local government sphere is responsible for implementation. This was anticipated in the Reconstruction and Development Programme (RDP) White Paper, which asserts that “the National Government wishes to unlock the political and creative energies of the people and bring the Government closer to the people” [and] “local authorities are key institutions for delivering basic services, extending local control, managing local economic development, and redistributing public resources” (South Africa, 1994:18). This goal is also enshrined in the Constitution of the Republic of South Africa (1996) which proclaims that, among key objects of local government, are promoting social and economic development and encouraging the involvement of communities and community organizations in matters of local government (South Africa, 1996). This government role was further crystalized in the Rural Development Strategy of the Government of National Unity (South Africa, 1995), the Integrated Sustainable Rural Development Strategy (ISRS) (South Africa, 2000) the Comprehensive Rural Development Programme (CRDP) (South Africa, 2009) and more recently reiterated in the National Development Plan (NDP) (South Africa, 2011). Coupled with all this is commitment to cultivating a culture of active citizenry. These policies and laws have been operationalized in various ways at provincial and local government levels.

This study assesses the impact of government intervention on the social capital stock of rural communities located in two districts of the province of KwaZulu Natal. The study looks critically at the extent to which community based collective action initiatives are affected by government intervention through an assessment of government sponsored small-scale farmer groups in the two district municipalities. The focus is on the nature of local government involvement and the effectiveness of such involvement against the backdrop of government’s commitment to developmental local government, rural development and promotion of a culture of active citizenry. This study will also examine the rural development theory as perceived and embraced by government and as it relates to the concept of social capital.

The inquiry appreciates growing recognition of social capital in the past two decades as a social and economic asset, the growing interest it has come to enjoy among

social theorists as a mechanism for “reducing transaction costs by altering the terms of trade” (Hong & Sporleder, 2007:2) The two small-scale farmer groups on which this empirical study is based are the Kumnandi Farmer Programme (KFP) in the Ugu District Municipality and the Partner Farmer Umbumbulu Programme (PFUP) in eThekweni Municipality – both municipalities are situated in the southern part of KwaZulu-Natal.

BACKGROUND TO THE STUDY

DEVELOPMENTAL LOCAL GOVERNMENT

The notion of developmental local government envisages a situation whereby local authorities take full responsibility for maximizing economic growth and social development and ensuring integrated planning and delivery of services as well as effective public participation. The ideal of a developmental local government first came into law with the adoption of the new Constitution (1996) and was further endorsed in the White Paper on Local Government (South Africa, 1998) two years later. Among the objects of local government enshrined in the Constitution are “to promote social and economic development” [and] “to encourage involvement of communities and community organizations in the matters of local government” (South Africa, 1996: Sect 152). The White Paper on Local Government outlines four interrelated characteristics of a developmental local government: maximising social development and economic growth; integrating and coordinating; democratizing development; leading and learning (South Africa, 1998:23).

RURAL DEVELOPMENT IN SOUTH AFRICA

Rural development has been on the agenda of the ruling party, the African National Congress¹ (ANC) since 1993 and on the government agenda since 1994. Taking into consideration that rural development is a broad and far-reaching concept, the focus of this inquiry is on rural development as referring to empowering rural communities for effective and sustainable socio-economic activity. Other interventions, such as

¹ The Ready to Govern document is a policy and strategy roadmap developed by the ANC shortly after its unbanning, it outlines the key policy and strategy imperatives that the ANC envisaged for a new democratic South Africa

delivery of basic services such as water; electricity and roads are recognized only as a critical foundation for rural socio-economic activity to take off and succeed. The ISRDS (2000) document succinctly articulated for the first time government's rural development vision as being to "attain socially cohesive and stable rural communities, with viable institutions, sustainable economies and universal access to social amenities, able to attract and retain skilled and knowledgeable people, who are equipped to contribute to growth and development" (South Africa, 2000: 1). The strategic objective of the ISRDS was "to ensure that by the year 2010 the rural areas would attain the internal capacity for integrated and sustainable development" (South Africa, 2000:1). The CRDP, adopted almost ten years later, has as its strategic objective, facilitation of "integrated development and social cohesion through participatory approaches and partnership with all sectors of society" (South Africa, 2009:13). The strategic emphasis placed on participation and partnerships implies government commitment to collective action, both from the point of view of collaborative intervention involving other sectors of society and participation and cooperative action by rural communities in ensuring their own development.

GOVERNMENT INTERVENTION AND ACTIVE CITIZENRY

The current NDP Vision 2030 commits to ensuring that "by 2030, South Africa's rural communities should have greater opportunities to participate fully in the economic, social and political life of the country" [and that] "South Africans will be more conscious of the things they have in common than their differences" (South Africa, 2011:196, 414). The two vision statements point to a commitment to both rural development and social cohesion through cultivating a culture of active citizenry. Through the NDP, the government appears to eschew the notion of service delivery, which presupposes that "the people demand and the state delivers", [in favor of a partnership based on the idea that government must fulfill its responsibilities and] "equally, South Africans must not forget their responsibilities and roles as responsible and active citizens" (South Africa, 2011:413). According to the NDP, agriculture is "the main economic activity in rural areas" and a target is set to improve the livelihoods of half the number of small scale farmers by 2030 (South Africa, 2011:197). The NDP acknowledges the role that commercial farmers, agribusiness and organized agriculture industry bodies can play in the achievement

of rural agriculture development objectives, another element which confirms government appreciation of the value of collective action and partnerships. The government observations made in the NDP and other policy documents regarding rural economy and rural development cannot be faulted. There is no doubt that the majority of rural communities in South Africa rely largely on subsistence farming; government grants and remittances from family members for their economic survival. Such economic position renders rural communities' livelihoods very fragile and unstable. Rural communities are therefore in great need of initiatives and interventions that will improve their sources of income and ensure their economic upliftment and opportunity for sustainable livelihoods (Gopaul, M, 2006).

SOCIAL CAPITAL

The concept of social capital is considered relatively new in the field of economics and fairly established in sociology literature (Coleman, 1988). There is also growing acceptance that social structure conditions economic growth (Granovetter, 1988). Until recently the types of capital accepted by economists have been financial capital, physical capital and human capital. All these have enjoyed acceptance in economics because of their undisputed potential to be accumulated and to be productive. Acceptance of social capital as an important socio-economic resource is a relatively new phenomenon (Lopez, 2003:1). However, as observed by Geran (2011), despite its nascence in the economic field, there has been growing appreciation of the usefulness of social capital as a link between social and economic analysis because it straddles the two disciplines. If one considers the idea of "the troika of social capital" as advocated by Svendsen & Svendsen (2009:1), social capital straddles not only two but three disciplines, economics; sociology and political science, and "implies that all three disciplines recognize the power inherent in network cooperation – invisible, but arguably with highly visible effects".

Social capital is viewed as a theory and approach which elevates relationships critical to human activity (Field, 2003). While there is no uniquely economic definition of social capital, its economic usefulness can be gleaned in various definitions coined by a number of theorists over the years. Some fundamental elements of what constitutes social capital are common across various definitions (Lopez, 2003:1).

While some theorists, such as Hanifan (1916:78), have highlighted variables such as “goodwill, fellowship, mutual sympathy and social intercourse” to define social capital, others have emphasized function more than form. For example Coleman (1988:S98) asserts that “social capital is defined by its function”; he highlights the role of social capital in facilitating “actions of actors – whether persons or corporate actors”. Putnam (1993) follows Coleman in arguing for the centrality of action; he further emphasizes intangible features such as trust, norms and networks as key definitional components. Fukuyama (1999) also refers to norms of cooperation in his definition but qualifies such norms as instantiated and informal. Some definitions put more emphasis on the structure and cast social capital as inherent in institutions and structures (World Bank, 2011). However, as pointed out by the Organization for Economic Co-operation and Development (OECD) (2011), norms, values and cooperation are variables that recur across definitions.

The fact that social capital obtains in collective action and cooperation is also a common thread across definitions. Individuals and groups identify common goals or features upon which to forge relationships and networks. Elements such as initiative and innovation can be inferred from the above explanations of social capital. It is for this reason that the relationship between social capital and government interventions deserves attention, given that external intervention implies a paucity of or insufficient internal initiative and innovation. Hence the need to look at how government-sponsored rural development dovetails with or impact upon existing local social capital and/or affects social capital formation and deployment in marginalized rural communities.

CASE STUDY SUMMARY

As stated above, the two projects which constitute the empirical case study for this inquiry are the Partner Farmer Umbumbulu Programme (PFUP), a programme sponsored and managed through a partnership between eThekweni Municipality and Newlands Mashu Community Development Centre (NMCDT), a non-profit organization involved in community-based development through agriculture and the Kumnandi Farmer Programme (KFP), a programme founded and managed by

Siyavuna Abalimi Development Centre (SDC) and partly sponsored by the Hibiscus Coast Local Municipality (HCM), which is part of the Ugu District Municipality (UDM)

THE PFUP

The PFUP is anchored on the Umbumbulu Agrihub (UA), an inputs supply; training and marketing support center, which is an infrastructure investment wholly funded by the eThekweni Municipality.

The Partner Farmer Umbumbulu (PFU) is an association of beneficiaries of the UA. Each farmer is regarded as a partner in the operations of the hub, through volunteering time to learn the administrative requirements of the hub, coordinate information dissemination to farmers and help form local farmer groups.

THE KFP

The KFP provides support to groups of small scale farmers collectively known as Kumnandi Farmers (KF). The project is supported by various independent funding agencies, with local municipality currently contributing about 10% of the total funding.

STRUCTURE OF DISSERTATION

The structure of this dissertation entails five chapters. Chapter one introduces the study and presents the rationale, objectives, key research questions and the hypotheses. Chapter two presents the theoretical framework through a broad literature review. Chapter three introduces and explains the empirical research methodological framework and elaborates on the case study. Chapter four presents the empirical research findings. Chapter five entails discussions, conclusions and recommendations.

RATIONALE OF THE STUDY

This study contributes insight into the interface between social capital as a resource and government intervention within the context of rural development in South Africa. It provides a localised perspective into how exogenous intervention in community development impact on local stock social capital, thus adding to available

scholarship on social capital as a socio-economic resource and government intervention as either an enabler or barrier to social capital formation.

RESEARCH AIMS AND OBJECTIVES

The inquiry is an assessment of how local social capital stock is affected by government-sponsored economic development interventions. The study takes a critical look at government involvement in forging or working with networks of cooperation in rural communities as a means to sustainable livelihood strategies.

The objectives of the study are:

- To assess the impact of government intervention on social capital of communities which are beneficiaries of such intervention
- To assess the role of social networks and partnerships as contributors to economic outcomes and livelihoods in South Africa's poor communities
- To provide a general overview of social capital theory, looking at how the concept has gained traction as a recognised socio-economic resource over time and the scholarship that this evolution has spawned.

RESEARCH QUESTIONS

The following are both empirical and theoretical questions that this study seeks to address. The empirical questions are based on the case study and are as follows:

- What forms of socio-economic networks were the members of the two farmer groups involved with before they got involved with external intervention programmes?
- What is the nature of government involvement with the PFUP and KFP and how is this involvement contributing to the sustainability of these initiatives?
- To what extent is social capital being recognised as a key sustainability element for these projects and what is the role of government in this?

The above empirical questions will be posed against the backdrop of the following theoretical questions:

- What is social capital and how has it evolved as a concept and resource?
- What role has social capital played in South Africa's socio-economic development since the advent of democracy?

- What has been South Africa's policy trajectory concerning developmental local government and how is this playing out in practice to inform South Africa's rural development endeavours?
- How has rural development, as a development priority, been explained and pursued in the South African context?

What are common effects of government intervention on social capital and how can the benefits be taken advantage of and the negative effects managed?

RESEARCH HYPOTHESIS

A hypothesis is defined by Sarantakos (1993) as cited in Prasad, Rao & Rehani (2001:7) as "a tentative explanation of the research problem, a possible outcome of the research, or an educated guess about research outcome". Macleod and Hockey (1981) as cited in Prasad et al (2001:7) refer to hypothesis as "a statement or explanation that is suggested by knowledge or observation but has not yet been proved or disproved". Based on the above definitions and in line with the rationale and objectives of this inquiry, the following hypothesis forms the basis of this study:

- While government intervention is indispensable in the development of under-resourced and marginalized communities, without sufficient understanding of how communities identify; forge and maintain social relations, locally identified and forged social capital combinations can be adversely affected by exogenous developmental interventions

CONCLUSION

This chapter has provided an introduction and background to this inquiry. It has explained the rationale for this study; outlined the key objectives and the key questions and introduced the hypotheses. The following chapter provides a review of literature relevant to this inquiry which serves as a theoretical framework for the empirical research.

CHAPTER TWO

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

INTRODUCTION

The literature review considers a range of literature which covers the key conceptual aspects of this study. The focus of the study is on how local combinations of social capital of rural communities are impacted upon by external interventions, which are invariably initiated or sponsored by government or government in collaboration with other role players. The review is organized along three key themes or concepts which form the theoretical rubric of this inquiry, namely, social capital; developmental local government and rural development. The review also introduces and explains the Social Capital Assessment Tool (SCAT)², which has been adapted for the empirical study is briefly explained.

In this review, social capital as a concept is introduced and defined. The idea of a developmental local government in the South African context as well as government conception of and commitment to rural development are introduced and unpacked. Furthermore, in dealing with social capital, developmental local government and rural development, the review identifies and highlights parallels across the three concepts. The review looks at the historical trajectory of the social capital concept, generally as reflected in views and analyses of various theorists and particularly as reflected in the cooperative model and the idea of collective action in the South African context. Various pronouncements by government concerning the urgency of rural development intervention in South Africa and the central role that beneficiaries of such interventions should play are highlighted and discussed.. Some of the attributes peculiar to rural areas which have the potential to either support or encumber both economic outcomes-oriented social capital and sustainability of the results of government intervention are alluded to and explained.

² A field-tested set of indicators and methodologies that measure levels of cognitive and structural capital in communities designated as beneficiaries of development projects (Krishna & Shrader, 1999:8)

SOCIAL CAPITAL – THE EVOLUTION AND MEANING OF THE CONCEPT

Social capital has been independently invented several times in the twentieth century, with a common intention to draw attention to the importance of social networks to the betterment of people's lives through social and economic benefits (Putnam 2000). Putnam (2000) traced the genesis of social capital as a concept in social theory to Hanifan (1916) and argued that the concept was reinvented by Coleman (1988) seven decades later. However, it is Putnam (1993, 2000) himself who has figured so centrally in contemporary debate [that in most cases discussions about social capital] begin with his conceptualization of it (Farr, 2004:8). There are, however, suggestions of earlier uses of the concept. Farr (2004) pointed out that the most notable earlier use of the term 'social capital' was by John Dewey (1900) and argued that this introduced critical pragmatism as another form of social capital. Furthermore, Farr (2004:8) alluded to the "critique of classical political economy in the... 'capital from the social point of view', especially cooperative associations", as further evidence of earlier conceptual manifestations of social capital.

Woolcock (1998), in tracing the intellectual history of social capital, made reference to Alfred Marshall and John Hicks whom he observed, employed the words 'social capital' to distinguish between temporary and permanent stocks of physical capital. Woolcock (1998) further suggested that the idea that norms of cooperation were needed to guide the invisible hand of market transaction, could be traced to the Scottish Enlightenment. Following Hanifan's (1916) pioneering role as asserted by both Farr (2004) and Putnam (1993), the trajectory of contemporary social capital as a concept has progressed from Hanifan (1916) to Jacobs (1961), Loury (1978) and Bourdieu (1983). The names associated with twentieth century use of the concept of social capital therefore range from Hanifan (1916), Jacobs (1961) Granovetter (1973), Loury (1978), Putnam (1993) to Fukuyama (1999), with Putnam (1993, 2000) emerging as the most notable among these proponents.

SOCIAL CAPITAL DEFINED

One of the earliest known attempts at defining social capital was by Hanifan (1916:130), who asserted that it is not similar to physical capital like “real estate, or to personal property or to cold cash, but rather to that in life which tends to make these tangible substances count for most in the daily lives of people, namely, goodwill, fellowship, mutual sympathy and social intercourse among a group of individuals and families who make up a social unit, the rural community...”. Hanifan (1916) practically demonstrated the usefulness of social capital in how it was mobilized to set up and run a rural school community center. He believed that the exemplary success of this center through cooperation among various members of the community proved that for any constructive or productive activity to successfully happen there must be some capital accumulation – in this case it was social capital that was mobilized and deployed. Drawing parallels between social capital and other types of capital, such as physical capital and human capital, Hanifan (1916) highlighted the interdependency between various types of capital. Hanifan (1916) made it abundantly clear that the significance of physical and human capital stock of individuals in the accumulation of social capital lies in the value that individuals bring to the network. It can be argued that, if there has to be value that individuals bring to the network, as Hanifan (1916) suggests, such value would be difficult to realize in some parts of South Africa, where levels of poverty are high and incomes are constrained and levels of literacy and education are low. The prevalence of poverty and illiteracy and lack of organization in rural communities could be seen as a serious barrier to meaningful social capital formation; particularly that which is intended to yield sustainable economic outcomes.

Salisbury (1969:3) made no direct reference to social capital in his analysis of an exchange theory of interest groups but he made an important observation in arguing that “interest group origins, growth, death, and associated lobbying activity may all be better explained if we regard them as exchange relationships between entrepreneurs/organisers, who invest capital in a set of benefits, which they offer to prospective members of a price membership”. This assertion leaves one in no doubt that Salisbury (1969) saw economic value in social relationships, an observation

which points to an appreciation of social capital as an economic resource. Salisbury's (1969) assertion further confirms Hanifan's (1916) view that there is value that, individually, members of the group bring value to the network and they in return draw value from that relationship.

Jacobs (1961), while her writings were largely on town planning, was concerned with the social aspect of town planning in a manner which bears resonance with the idea of interaction and networks among people and institutions as a development asset. She argued that a successful neighborhood is a place that is able to solve its problems independently so it is not destroyed by them. Jacobs was opposed to what she called "the doctrine of salvation by bricks" (Jacobs, 1961:113), an approach according to which improved housing conditions and other physical infrastructure are expected to automatically lead to improved social conditions within neighborhoods.

Jacobs' (1961) view was that street neighborhoods are capable of self-government if they are physical, social and economic continuities and have sufficient frequency of commerce and general liveliness to cultivate public street life. Jacobs' (1961) context was urban but, as a social theorist, her thrust was interaction and cooperation among people in a bid to do things for themselves – an attribute which is at the heart of social capital. Furthermore, Jacobs' (1961) views appear to be critical of exogenous interventions in community development in favor of self-help initiatives for localized sustainable development, judging from her clear disapproval of 'salvation by bricks', which tends to be the preoccupation of government projects.

For Bourdieu (1986:21), social capital is "the aggregate of the actual or potential resources which are linked to possession of a durable network of more or less institutionalized relationships of mutual acquaintance and recognition – in other words, to membership in a group – which provides each of its members with the backing of the collectively-owned capital, a credential which entitles them to credit, in the various senses of the word". Bourdieu (1986) saw an intrinsic potential for socio-economic gain in relationships at varying levels of institutionalization or formality.

Coleman's (1988:5) view was that "social capital is defined by its function" and contended that it is not one aspect but a number of different aspects with two attributes in common: they have some aspect of social structure and they facilitate action. He asserted the inherence of social capital in the structure of relations between actors and among actors and argued that "it is not lodged either in the actors themselves or in physical implements of production", although he did acknowledge the importance of the relationship between social and human capital in facilitating productive action. It is useful to note that despite the value of human and physical capital possessed by individuals, as acknowledged by both Hanifan (1916), Farr (2004) and Coleman (1988), such value does not constitute social capital unless deployed and utilized in relationships with and for the benefit of others. As a sociologist, Coleman's (1988) concern was with the social outcomes of social capital even where these related to access to benefits of an economic nature with social capital as an enabler. Like Hanifan (1916), Coleman (1988) located social capital in the context of education and used it in his analysis of the phenomenon of dropouts from school. He referred to social capital as a resource which facilitates action in the same way that Hanifan (1916) saw capital accumulation as a prerequisite for constructive or productive activity.

Fukuyama (2000:3) defined social capital as "an instantiated informal norm that promotes cooperation between two or more individuals". He introduced a stronger economic angle to social capital and argued that social capital is important for the functioning of modern economies. As a political scientist, it is however in the context of politics that he saw the economic usefulness of social capital. He contended that "social capital is a *sine qua non* for stable liberal democracy" (Fukuyama, 2000:7). Fukuyama admitted that it is possible for a society to have too much social capital but argued that it better to have too much than too little (Fukuyama, 2000:8). This admission was a demonstration of Fukuyama's understanding of the similarities that exist between social capital and other forms of capital and therefore a clear relationship between liberal democracy and capitalism. Fukuyama's assertion that social capital cannot be created or shaped by policy has significant relevance to this inquiry, given that government interventions are invariably policy driven and structured.

For Putnam (1993:167) social capital referred to “features of social organisation, such as trust, norms, and networks that can improve the efficiency of society by facilitating coordinated action”. In his reference to decentralization and formation of regional governments in Italy, Putnam (1993) observed that decentralized structures succeeded in some regions while they failed in others. He then posed the question regarding conditions for creating strong, responsive, effective representative institutions. He noted developmental and political variation in the social, economic, political and cultural conditions in these regions and concluded that practical performance of institutions is shaped by the social context within which they operate. He asserted that overcoming dilemmas of group activities or collective action, and self-defeating opportunism which may accompany that depended on the broader social context. He argued that voluntary cooperation is easier in a community that has inherited a substantial stock of social capital. In essence, social capital facilitates spontaneous action and is in itself a result of spontaneous choices. This is an important consideration in instances where attempts towards collective action are externally instigated. Trust, norms and networks are central to Putnam’s (1993) conceptual analysis of social capital and he saw social capital as a public good, not a private property of any person benefiting from it. This is a significant observation for those concerned with the economic outcomes of social capital, given that economic pursuit is invariably for private interests; a notion which could easily be at odds with the ideal of social capital as a public good.

What is central in all definitions of social capital is the notion that there is value in social networks. In the same vein that physical capital and human capital can increase productivity and improve people’s socio-economic conditions, social capital, which obtains in social networks – is a useful and productive asset. Putnam (2000:19) asserted that “social capital is closely related to civic virtue” [but pointed out that] “the difference is that social capital calls attention to the fact that civic virtue is most powerful when embedded in a dense network of reciprocal social relations” .

If social capital combines elements of collectivism and individualism and is a combination of public and private elements (Putnam, 2000), it means that social

networks derive value from the value of the parts that constitute it, but real social value is in the sum of its parts. The benefits of social capital do not entirely accrue to the individual who is part of the networks but they accrue to others as well and they also spill over to a larger society; social capital “can have externalities that affect the wider community, so that not all the costs and benefits of social connections accrue to the person making the contact” (Putnam: 2000:20). Putnam asserted that “a well-connected individual in a poorly connected society is not as productive as a well-connected individual in a well-connected society [because] even a poorly connected individual may derive some of the spill-over benefits from living in a well-connected community” (Putnam, 2000:20). This view resonates with economic sociologist Granovetter’s (1973:1364) view that “the weak ties that link me to distant acquaintances who move in different circles from mine are actually more valuable than the strong ties that link me to relatives and intimate friends whose sociological niche is very much like my own”.

Bayat (2005:1) succinctly define social capital as “networks of relations linking individuals for mutual benefit”). Woolcock (1998:155) appeared to be raising the alarm in his reference to Baron and Hannan’s (1994) concern with what they saw as an emergence of a plethora of capitals which has seen sociologists ‘referring to virtually every feature of social life as a form of social capital’(1998:155). Woolcock (1998) appears to be warning against a tendency towards a perfunctory application of the concept both in theory and practice. Essentially, the value of social capital would only be appreciated through a clear understanding of what it means and what it is capable of achieving; this must also involve the ability to delineate what constitutes and what does not constitute capital, primarily based on social and economic benefits associated with social capital as a resource.

Some key elements have remained a recurring feature in various attempts to define and facilitate conceptual understanding of social capital. The most prominent and central of these terms are trust, norms and networks. Also deserving attention are three types of social capital; these are bonding, bridging and linking.

TRUST, NORMS AND NETWORKS

It is clear from the above that there is no universal definition of social capital but there is a semblance of consensus on the key elements which constitute its definition. There is wide recognition of the importance of social networks in people's lives and these include both formal and informal networks (Australian Bureau of Statistics, 2002). It is shared social norms of reciprocity and trust which make it possible for individuals and groups to communicate and work together. Trust is critical in reducing social and business 'transaction' costs, whereas reciprocity encourages individuals to balance their own self-interest with the good of the community (Australian Bureau of Statistics, 2002:6).

According to Bayat (2007:8) trust refers to "the understanding that people or members of social groups will act in a manner that is mutually beneficial". In different areas of a person's life, as Woolcock (1998:154) observed that there is reward and productivity "when suppliers, colleagues, and clients alike are able to combine their particular skills and resources in a spirit of trust, cooperation, and commitment to common objectives". Putnam (2000:19) agrees with Bayat (2007) and Woolcock (1998) that in his assertion that "whereas physical capital refers to physical objects and human capital to properties of individuals, social capital refers to connections' among individuals – social networks and norms of reciprocity and trustworthiness that arise from them". But, as apparent as the importance of trust may seem, there is a view that it is not accorded the attention and importance it deserves as a critical ingredient of social interaction. Gambetta (1988) viewed trust as indispensable in situations where diversity is prevalent, and cooperation is fickle and fragile yet vital. He, however, observed that recognition of the value of trust has engendered more paralysis than analysis. Trust is seen as an expectation that people will behave in a particularly acceptable manner in the community. Fukuyama (1995) as cited in Schuller, Baron and Field (1995:16), asserted that trust is "the expectation that arises within a community of regular, honest and cooperative behavior based on commonly shared norms, on the part of other members of the community...these communities do not require extensive contractual and legal regulation of their

relations because prior moral consensus gives members of the group a basis for mutual trust”.

Fox (1974), as cited in Schuller et al (1995:17), saw both trust and distrust as embodied in the rules, roles and relations which some men impose on, or seek to get accepted by others. It would seem that according to Fox (1974), trust obtains in the reciprocation as its essential feature (Schuller et al 1995:17). Trust tends to evoke trust, distrust to evoke distrust. Woolcock (1998:158) pointed out that “in most discussions of social capital trust is proclaimed as an unqualified good..., something to be maximized”. There is a natural correlation between trust and norms in that it is the norms of interaction and reciprocity established by the relationship which ensure that members adhere to what they commit themselves to, thus generating trust and further heightening existing levels of trust (Bayat 2007:06). It can therefore be concluded that those who adhere to the norms of the community are more likely to be trusted than those who don't. It can further be said that networks form largely on the basis of observation of accepted norms of behavior which results in a level of trust which makes networks both possible and sustainable.

Networks clearly result from the willingness of individuals to observe certain norms, thus leading to mutual trust. Castells (1996:2) referred to networks as “a set of interconnected nodes, [they are] open structures, able to expand without limits, integrating new nodes as long as they share the same communication codes”. Norms could well be what Castells (1996) referred to as communication codes – it is such codes which would make an individual identify with one individual and not the other, or with one group and not the other, in the process of network formation. Networks are so much at the heart of social capital to the extent that one could hazard a view that social capital is impossible without networks. The concept of networks pervades every definition and explanation of social capital.

Woolcock (1998) saw social capital as a broad term encompassing the norms and networks facilitating collective action for mutual benefit. Granovetter (1973:1362) referred to what he calls “the strength of weak ties” and he argues that “the degree of overlap of two individuals' friendship networks varies directly with the strength of

their tie to one another”). He argued that there is more strength in weak ties than in strong ties simply because “the stronger the tie connecting two individuals, the more similar they are, in various ways” (Granovetter, 1973:1362). What can be deduced from this is that two individuals who are similar in many ways are not as useful to each other as two individuals bringing a set of different but complementary traits into a relationship. In essence, strong ties lead to contained and exclusionary relations whereas weak ties allow for a broad network to develop which ensures that whatever value obtains in the network is diffused to a larger number of people, and over a greater social distance. It is through weak social ties that social distances between races, genders, ages can be bridged (Granovetter, 1973). Figure 2.1 (a) and 2.1(b) below illustrate networks across weak and strong ties and how diffusion occurs through weak ties³.

³ In Figure 2.1(a) the tie A-B is not strictly a bridge, since one can construct the path A-E-I-B (and others). Yet A-B is the shortest route to B for F, D and C. This function is clearer in figure 1.2(b). Here, A-B is for C, D and others, not only a local bridge to B, but, in most real instances of diffusion, a much more likely and efficient path (Granovetter, 1973 page 1364)

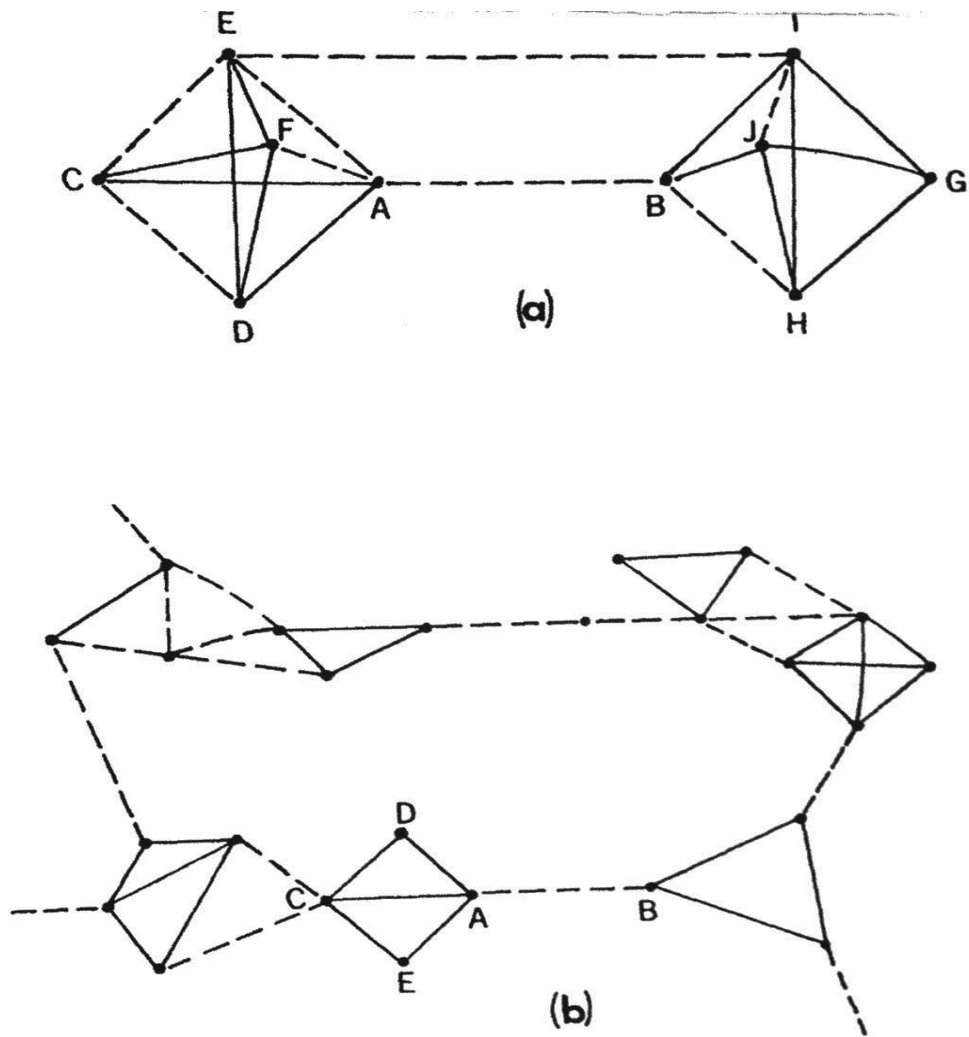


Figure – 1(a) and 1(b): Weak Ties and Strong Ties

Source: Granovetter (1973:1363:1365)

BONDING, LINKING AND BRIDGING SOCIAL CAPITAL

Various types of formal and informal interaction between individuals, groups and communities can be regarded as indicators of social capital. The existence of clubs, organizations and associations is the most visible and the most formal feature to gauge the amount of social capital stock of individuals within a community. Both the concentration and spread of such relations would invariably contribute to the welfare of a society as they translate to the amount of social stock that individuals and groups can call upon whenever the need arises. Individuals and groups with greater stock of social capital are not as likely to be unable to deal with risk and moments of vulnerability as those with limited or no stock. It is, however, important to bear in mind that social ties obtain both in relationships with close relatives such as

immediate family members and members of the extended family as well as neighbors and members of a wider society.

Woolcock (2000), as cited by the Australian Bureau of Statistics (2002:5), referred to three types of social capital which he calls bonding, bridging and linking. **Bonding social capital** is highly personalized. It represents the construction of social networks with those like us. It is essentially characterized by intragroup as opposed to intergroup ties. Bayat (2005:8) observed that bonding social capital is similar to what Granovetter (1973) referred to as strong ties in that it occurs “more within the closed network of family and friends” Bonding social capital has been identified as the least important of the three with regards to the benefits that could potentially accrue to an individual as a result of being part of a network. This is because of its close-knit nature and the limited potential to be inclusive and broad. The usefulness of this form of social capital is only in closed groups and limited or no benefits flow outside of the group. Woolcock (2000), as cited by the Australian Bureau of Statistics (2002) observed that bonding social capital has potential to force people into positions of conformity thus constraining their creativity and development.

Bridging social capital “refers to those relationships we have with people who are not like us” [and] “these may be people who are from a different socio-economic status, from a different generation or a different ethnicity” (Woolcock, 2000 as cited by the Australian Bureau of Statistics, 2002:5). Bridging social capital is more inter-community and inter-group and has the potential to facilitate problem solving and cooperation on a wider scale. With bridging social capital, networks are horizontal between similar structures creating a complementary relationship across groups as opposed to within groups.

Linking social capital is hierarchical or vertical in nature. It refers to relations between communities and those in power in the public sector, the private sector and civil society. It can be both top-down and bottom-up. It is about providing access to those in powers or in control of resources (Woolcock, 2000 as cited by the Australian Bureau of Statistics, 2002:5)

Figure 2 below illustrates the three types of social capital bonding social capital characterizing relationships and networks with communities, bridging social capital facilitating links across communities and linking social capital, which is formed between the society and higher institutions of power and control, such government and other institutions, within society.

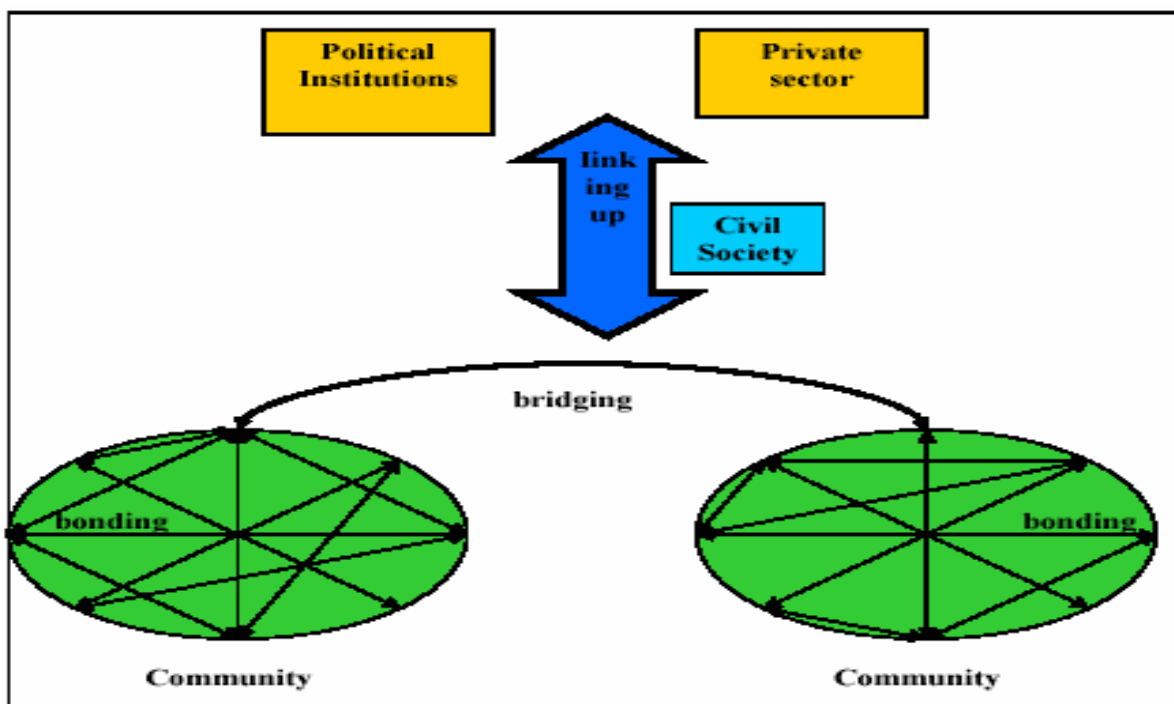


Figure 2: Bonding, Bridging and Linking Social Capital

Source: Carolin Gomulia, 2006 page 9

Naturally, in any given community there would be a coexistence and overlap of all three types of social capital. It could also be argued that a balance between bonding, bridging and linking social capital is necessary for social stability and integration (Australian Bureau of Statistics, 2002). Although, naturally, people would be inclined to associate with those with whom they have strong ties, those with whom they have weak ties are more likely to be associated with people in different circles and this promotes broad and far-reaching networks (Granovetter, 1973:1371). Granovetter (1973:1371) credited weak ties for social cohesion as opposed to strong ties. He asserted that “weak ties are more likely to link members of different small groups than are strong ones, which tend to be concentrated within particular groups”.

The most apt conclusion to the above conceptual exposition of social capital will have to be Woolcock's (1998:159) assertion that:

There are different types, levels and dimensions of social capital, different performance outcomes associated with different combinations of these dimensions and different sets and conditions that support or weaken favorable combinations. Unraveling and resolving these issues requires a more dynamic than static understanding of social capital; it invites a more detailed examination of the intellectual history of social capital and the search for lessons from empirical research that embrace a range of many dimensions, levels and condition.

Woolcock's (1998) position found resonance with Chamlee-Wright (2008), as cited in Carilli, Coyne and Leeson (2008:210), who observed that "social capital, which includes an array of relationships, norms and interactions that facilitate interactions, should be viewed as a complex structure of complementary components that are constantly evolving".

THE WORKING DEFINITION OF SOCIAL CAPITAL

The definition of social capital used in this study is based on Leender's and Gabbay's (1999) as adapted by Hong and Sporleder (2012) and refers to social capital as "the set of resources, tangible or intangible, that build over time to cooperative constituents through their social relationships, facilitating the attainment of goals". Hong and Sporleder (2012) explain cooperative constituents as referring to "the cooperative, its members, employees, and management". This definition is relevant for this study because of its reference to constituent parts of the cooperative since this inquiry deals with cooperation among small scale farmers in the context where there are other players involved in facilitating and managing the cooperation. The study is therefore not only about cooperatives and their members but it is also about local government and non-profit organisations involved.

SOCIAL CAPITAL IN SOUTH AFRICA – AN HISTORICAL PERSPECTIVE

The philosophy of “Ubuntu”, which means that we are what we are because of other people and our humanity is contingent upon a concern for other people’s well-being in a spirit of mutual support, is fundamental to the ideal of social capital in the South African context (Verhoef, 2008). Ubuntu is a universal concept which refers to the potential for being human and the ability and willingness to place the good of one’s community above self-interest. Cooperation among individuals, families and communities in South Africa has invariably been underscored by this philosophy of Ubuntu. African communities in South Africa have for many decades lived communally with a strong culture of cooperation and mutual support. However, modern, semi-formal and formal models of cooperation could be traced back to the emergence of stokvels, which are social institutions utilizing social capital to serve social and economic needs, constituting behavioral responses to social and economic insecurity. Verhoef (2008:59) pointed out that “the earliest stokvels were general savings clubs, which rotated pooled funds to members on a mutually agreed basis” and posited their origins in the Cape Colony livestock auctions of the English settlers in the early 1800s. These settlers took the concept with them to the urban setting upon the discovery of gold in the late 1800s (Verhoef, 2008; Schoeman, 2006). This explains the assertion that the term “stokvel” is a corrupted version of the “stock fair” (Irving, 2005), referring to livestock auctions of the Cape Colony of the 1800s. When African women followed men to the urban environments around the 1930s they appropriated the stokvel model in the form of informal voluntary savings organizations based on trust or referrals by trusted members (Schoeman, 2006). Therefore, social capital, in the form of mutual trust was ‘traded or exchanged’ for access to tangible and non-tangible assets of the stokvel – trust, support, credit, financial resources (Verhoef, 2008). Over the years the stokvel model has evolved to encompass other forms of cooperative action such as burial societies and investment clubs.

Verhoef (2008:62) posited reasons for emergence of stokvels in African communities of South Africa in the “history of social displacement and adjustment to new

employment opportunities in urban areas as well as new social and material needs” [and argued that] “social displacement in an unfamiliar, artificial, and constrained environment strengthened the need for supportive networks. Verhoef (2005:62) further pointed out that the “first incentive for participation in stokvels was to establish a social network of trusted acquaintances to replace the kinship network of the traditional areas with members using social capital to establish the network, which in turn strengthened the network to provide in future needs”. Accordingly, social capital served as guarantee of access to other material benefits based on established trust relationships.

The stokvel is known to be the precursor of the South African cooperative model, the first step towards the development of formal cooperatives (Schoeman, 2006). Schoeman (2006) argued that although the stokvel predates the cooperative, the social aspect of the stokvel is the very aspect which also distinguishes the cooperative and it is the same aspect which distinguishes the cooperative from any other business enterprise – the stokvels have coincidentally even been referred to as savings and credit cooperatives, burial cooperatives, and financial services cooperatives, and have been called credit unions, mutual building societies and friendly societies.

Apartheid, which excluded black people from sharing in the country’s wealth, is also cited as another reason for the emergence of cooperatives in black communities, with the sole purpose of eradicating poverty and empowering people, especially in rural, traditionally poor areas of South Africa (Schoeman, 2006). Mosoetsa (2011) acknowledged the prevalence of poverty in South Africa but hastened to point out that “people can still call on an ethos of sharing and communal support” [although] “practices of solidarity and sharing are being steadily eroded by adverse social and economic conditions” (Mosoetsa, 2011: 1). Mosoetsa (2011) attributed the pursuit of precarious and survivalist livelihood activities at both household and community level to the ineffectiveness of the state’s response. There is clear acknowledgement by Masoetsa (2011) of both the important role of collective action as a strategy to extricate people out of poverty and the need for the state to be more responsive and effectively involved in supporting such initiatives.

DEVELOPMENTAL LOCAL GOVERNMENT AND SOCIAL CAPITAL

The South African government is unequivocal about the need for local government to be developmental. This is enshrined in both the Constitution (1996) and the White Paper on Local Government (1998). The Constitution (South Africa, 1996:ss153a & 153b), Chapter 7, section provides for developmental duties of local government and asserts that “a municipality must structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote social and economic development of the community; and participate in national and provincial development programmes”. The White Paper on Local Government (South Africa, 1998:ss B 1.1-1.4) outlines “maximizing social development and economic growth, integrating and coordinating, democratizing development, empowering and distributing, leading and learning” as key attributes of a developmental local government. It is clear from these crucial legislative and policy documents that the South African outlook and intention is to be developmental and interventionist, particularly at the delivery level of government, that is, local government. The developmental challenges that South Africa faces, most of which are a direct result of the apartheid dispensation, make government intervention desirable and imperative. However, this should not result in state-society relations becoming “a zero-sum game in which the state waxes while other institutions wane” (Woolcock, 1998:157). Furthermore, the emergence of a welfare state should hopefully not confirm the view that forms of voluntary groups are eroded by welfare and national community ideologies (Woolcock, 1998:157). In Woolcock (2000), Fukuyama suggested that the state could destroy sources of social capital much easier than it can build or promote them, simply because the level of success of state intervention is invariably contingent upon levels of social capital that exist in society. To Woolcock (1998) Fukuyama’s assertion suggested that society’s stock of social capital is enhanced by dismantling the state. According to Woolcock (1998) this is a conservative view, the inverse of which is that state-society relations are a positive-sum.

Robert Chambers (1983) pointed out the anomaly in the externally initiated rural development initiatives. He argued that rural people cannot help themselves out of

poverty largely because the initiative in enabling them to better help themselves lies with outsiders. These outsiders have more power and resources and most of them are neither rural nor poor. Chambers proposed that the nature of contact or lack of contact between urban-based outsiders concerned with rural development and the poorer rural people needs to be examined. Chambers' observations point to the local dynamics that external interventions need to appreciate and understand if their pursuit of developmental objectives is to bear any fruit.

Knack and Keefer (1997) used the indicators of trust and civic norms to argue that social capital matters for measurable economic performance. They argue that in higher trust environments economic activities that require some agents to rely on the future actions of others are accomplished at a far reduced cost than in environments where trust levels are low. High trust environments also save time because individuals don't have to invest a great deal of time trying to protect themselves from being exploited in economic transactions. Consequently, trusting societies benefit from both the fact that trust serves as an incentive to innovate and accumulate physical capital and they also experience higher returns from accumulated human capital. Knack and Keefer (1997) attributed better performance of government institutions to trust and civic engagement. They further contended that economic outcomes could be attributable to norms of civic cooperation, similar to levels of trust. Cooperative norms serve to curb the setting in of individualism and narrow self-interest resulting to people contributing to the provision of public goods of various kinds.

In their analysis of the implications of government attempts to manipulate the existing structure of social capital to create homogeneity, Carilli, Coyne and Leeson (2008) argued that these attempts could weaken, erode or destroy existing social capital. They observed that the constantly evolving nature of social capital is retarded by government interventions which invariably seek to impose a degree of homogeneity or uniform structure. They argued that the need to align heterogeneous capital goods that have multi-specific uses, which is an imperative in the economic realm, is equally an imperative in the social realm and acknowledge that at a social level there is constant entrepreneurial engagement with aligning and discovering

new combinations of social capital. Carilli et al.'s (2008) contention is that government interventions in the structure of social capital confuses the signals that naturally evolve between social actors through existing social capital combinations. This confusion disrupts and distorts the natural rate of interaction and exchange, thus retarding entrepreneurial discovery of new social capital combinations while eroding existing ones. This argument puts a strong emphasis on and promotes appreciation of social capital as a spontaneous phenomenon which can hardly be achieved through policy or external intervention. Government interventions are seen as undermining naturally evolved social order and voluntarily adopted signals that signify credibility and trustworthiness or lack thereof among actors. While, according to Fukuyama (2000), the state can rectify deficit in social capital in the same way that it can rectify a deficit in human capital by building schools and universities, Carilli et al. (2008) argued that these interventions are beneficial when social capital is absent or existing social capital is deemed undesirable. Francis Fukuyama, as cited in Woolcock (1998:157) argues that while the state can destroy sources of social capital (e.g., the church in Soviet Russia) it is inherently ill-suited to promoting them since...the level of state intervention in the economy is inversely proportional to a society's endowment of social capital [he then contends that] a society's stock of social capital assuming that more is indeed better is thus enhanced by dismantling the state".

Fine (2002), on the other hand, argued for social capital to be linked to the economy in a functionally positive way which enhances economic performance. Fine (2002) was of the view that there is not necessarily anything positive or predetermined about the impact of social capital until both its intrinsic and extrinsic contents are examined. Fine (2002) alluded to what he calls two broad approaches to the developmental state – economic and political, and argued that one identified market imperfections and the other political conditions. Fine's (2002) conclusion was that social capital could be regarded as an important non-economic or non-market element which makes the economic element work better

For Carilli et al. (2008:211), "in the economic realm, entrepreneurs must align heterogeneous capital goods that have multi-specific uses. Similarly, entrepreneurs

in the social realm act to align and discover new combinations of social capital. According to Carilli et al (2008), state intervention interferes with these natural alignments and combinations. A number of other theorists have pointed out potential problems with government intervention aimed at manipulating the structure of social capital. Their thesis is that interventions by government to manipulate the structure of social capital with the aim of creating homogeneity have undesirable effects on the social and economic order (Carilli et al. 2007: 211). Leeson (2007a,b), as cited in Carilli et al. (2008:211) argued that “in cultivating various relationships, individuals and those they interact with, invest in and adopt certain signals to convey their credibility and trust-worthiness to others and it is these signals which constitute the key elements of social capital”. Carilli et al. (2008) identified two effects of government-created signal extraction. On the one hand, the effect is an increase in interaction and exchange because individuals interpret government-created social combinations as viable and begin to interact with others adopting that same signal. In this scenario, there is a rise in the level of interaction and exchange which depends on the several factors, including the nature and extent of government intervention. This increase is, however, short-lived and it tends to be realized only among the affected portion of the population. On the other hand, government-created social capital combinations cause individuals to significantly decrease their level of interaction and exchange. In this scenario they are not able to utilize the social capital combination as clear signal of credibility or lack thereof and they disassociate with interactions and exchanges that they otherwise would be engaged in. In the latter scenario, government intervention which is initially aimed at increasing interaction and exchange has a reverse effect.

At the center of Carilli et al’s (2008) argument was that it is possible that government-created social capital combinations may initially increase interaction and exchange. But this creates an artificial boom and is not sustainable. Carilli et al (2008:213) argued that, “as long as government maintains the artificially created social capital combinations, the structure of social capital will not return to its natural path”. They also highlighted the need for government agents to have sufficient knowledge of existing combinations of social capital and the signals used by individuals and groups where they intervene. This will go a long way in preventing

the signal confusion which results from imposed social capital combinations and coercive methods of managing interactions and exchanges (Carilli et al, 2007:214).

The overarching implication for policy in Carilli et al.'s (2007) observations is that, instead of intervening directly, government needs to create an environment whereby individuals can creatively and innovatively discover new combinations of social capital and, in that way, government will be better positioned for success in its pursuit of sustainable social and economic development outcomes. In their view, social entrepreneurs must be afforded the freedom to discover and cultivate these combinations of social capital and forge their networks of interaction and exchange (Carilli et al, 2008:216).

Boettke & Coyne (2003), as cited in Carilli et al (2008:216), considered the direction of causation regarding entrepreneurship and economic development. They concluded that entrepreneurship caused economic development. Given that entrepreneurs are present in all settings, it is the institutional environment of a society that generates positive-sum, zero-sum or negative-sum activities. In their view, in situations where the institutional environment precludes or greatly hampers interaction between individuals outside of close-knit groups, far-reaching social capital combinations cannot be realized. Boetke and Coyne (2003) were also not in favor of intervention by formal institutions which they believed is not likely to be effective and will potentially cause more harm than good.

While Carilli et al (2008) appeared to discourage any government intervention in social capital formation and facilitation of networks of interaction and exchange, except where social capital is non-existent, Akcomak and ter Weel (2005) argued for more integration of government intervention with social capital. The latter's study of how social capital and government support affect innovation and growth used evidence from the European Union's (EU) regional support programmes to conclude that European Union funding does not provide a significant contribution to the welfare of EU regions unless it is integrated with social capital. Instead of completely dismissing government intervention they identify a positive interrelationship between measures of social capital and the effectiveness of government support

programmes. While the results of their study indicated that European Union funding has no direct effect on economic outcomes it highlighted a complementary relationship between government spending and social capital which contributed to economic development. What the study revealed was that EU programmes are not causal to economic growth but when integrated with social capital and education, they act as a highly effective means to boost performance. Their conclusions underline the importance of enabling policy environment and human capital for social capital to thrive.

Akcomak and ter Weel (2005:1) looked at the role of social capital and government intervention in explaining differences in innovation output and economic growth in the regions of the European Union in the period 1990 to 2002. The results of their empirical study pointed to a mutually reinforcing relationship between European Union funding and social capital. Their research pointed to the positive interrelationship between levels of education, measures of social capital and effectiveness of government support programs. This confirmed the important role played by human capital in social capital formation. The conclusions drawn by Akcomak and ter Weel (2005:1) are that “EU funding has no direct effect on economic outcomes” [however] “the main contribution of the empirical analysis is that a complementary relationship between government spending and social capital exists and as such contributes to economic development”. Akcomak and ter Weel (2005) presented two important conditions which they argued must be a prerequisite for social capital to have a bearing on economic outcomes. The first condition implies that there is a role that government can play in establishing property rights, courts and law, and to promote altruistic behavior, stronger social bonds, and trust, in order to reduce opportunism and increase market transparency. The second condition points to the fact that, as a term or concept, social capital cannot be used to explain all the differences in performances of different groups. They asserted that “social capital is defined and analyzed at a regional level with an understanding that it originates at an individual level due to the different forms of social interaction between people” (Akcomak & ter Weel, 2005:3).

Akcomak and ter Weel's (2005:4) observation that "regions with higher levels of social capital are more likely to effectively implement support programs because they are able to internalize the externalities generated by social interactions and networks" is critical to this inquiry, considering that rural communities of South Africa are not characterized by a critical mass of highly educated people. Ackomak and ter Weel (2005) suggested an interface of social capital, education and government as central to innovation – they argued that social capital can worsen economic outcomes if it is undermined by policy interventions.

What appears to be a predominant view from the preceding arguments is that social capital cannot be effectively created solely through external intervention but is critical to the success of such interventions. The contextual factors which stand out as determinants of the success of government intervention are human capital and social capital. This suggests that any external intervention ought to take these factors into consideration and leverage them to achieve the intended economic outcomes.

RURAL DEVELOPMENT AS DEVELOPMENTAL PRIORITY AREA IN SOUTH AFRICA

Post-apartheid South Africa has seen a strong determination by the democratic government to develop rural areas. This resolve is evident in many policy and strategy documents from the period immediately before the advent of democracy to post-1994. The Reconstruction and Development Programme (RDP) White Paper (1994), the Rural Development Strategy of the Government of National Unity (GNU) (1995), and the Integrated Sustainable Rural Development Strategy (ISRDS) (2000) are some of the key government legislative, policy and strategy documents on rural development. Also worth noting are documents which predate the democratic dispensation; these include the Ready to Govern document (ANC, 1992) of the ANC which ranked rural development as high on the agenda of the then impending new democratic dispensation. As the ANC was poised to take over the reins of government in the early 1990s it saw it as "vital that a democratic state establish a rural development policy to redress...distortions and create opportunities for rural people through balanced and sustainable development" (ANC, 1992:18-19). The ANC acknowledged rural development as constituting "an essential component of

the programs for redistribution and growth” (ANC, 1992:19). The RDP White Paper (South Africa, 1994) committed government to the task of formulating “an integrated and sustainable rural development policy in consultation with rural people, their organizations and stakeholders”. The RDP White Paper (1994) also pledged government to paying special attention to the broadening of access to services, support for small-scale agricultural producers and ensuring access to land, appropriate markets, credit facilities, training and support. The new government’s intention to decisively intervene in the upliftment of rural communities was further crystalized in the ISRDS and the need for beneficiaries of such intervention to see themselves as active agents of their own development was reaffirmed. According to the ISRDS, through beneficiaries’ own participation in the financing of subprojects, a sense of ownership is generated and there is willingness to share responsibility for the future operation and maintenance of investments made by government. The ISRDS acknowledges that

Beneficiary participation in the selection, execution, supervision, and financing of project investments ensures that investments respond to true, perceived needs, and generates cost savings and increased accountability at the local level. Participation in priority setting and design of projects enhances organization, either of the community, group, or even the household, heightens awareness of available programs and services, facilitates participation and increases cost-effectiveness. Investments have greater sustainability when the municipalities, communities, and/or households contribute to financing in a cost-sharing arrangement and when there is increased beneficiary participation (South Africa, 2000:4).

Of even greater relevance to this study is the acknowledgment in the ISRDS that “rural communities hold a wealth of social capital in the form of extended networks of mutual solidarity, shared beliefs and traditions, and commitments to retain long-standing practices of daily life” [and the strategy asserts that] “sound participatory processes can reinforce and sustain social capital” (South Africa, 2000:19).

Furthermore, the ISRDS touches on the potential dangers which may arise from government intervention by recognizing that “incremental resources brought into

rural communities can be divisive and destructive if various groups compete for access through a process that is not generally accepted and understood” (South Africa, 2000:19). The strategy emphasizes the need to guard against idealizing the degree of social cohesion within villages and the importance of appreciating that the rural society is not homogeneous and that widespread poverty creates tensions (South Africa, 2000).

The CRDP (South Africa, 2009:4) of the Department of Rural Development and Land Reform is the most recent rural development strategy document of government and is founded on the fundamental understanding that

“rural development is about enabling rural people to take control of their destiny, thereby dealing effectively with rural poverty through the optimal use and management of natural resources” [and an acknowledgement that] “this is a participatory process through which rural people learn over time, through their own experiences and initiatives, how to adapt their indigenous knowledge to their changing world”.

Among interventions that the program advances through which rural development can be achieved is rural development self-help initiatives, and among its objectives is social mobilization which, it is believed, would enable rural communities to take initiative. It further acknowledges the need to facilitate and cultivate social cohesion and ensure access to human and social capital. The Diagnostic Report (South Africa, 2011a) and the NDP (South Africa, 2011b) issued by the National Planning Commission (NPC), identify poverty, inequality and unemployment as the key challenges facing South Africa and emphasize the need for all South Africans to contribute towards dealing with these challenges.

The NDP (South Africa, 2011b), which is a response to the challenges identified in the Diagnostic Report (South Africa, 2011b:429), asserts that, “transformation does not depend on highly technical processes”, [but rather on the participation of citizens and] “citizenship must be activated in every area of public service”. The NDP (South Africa, 2011b:429) further states that “South Africa will enjoy the full benefits of democracy when there is full and dynamic oversight and participation by

communities” .The NDP (South Africa, 2011b: 429) observes and proclaims that the responsibilities of the government have been interpreted to mean that “the people demand and the state delivers” [but] “equally South Africans must not forget their responsibilities and roles as responsible and active citizens that shape society”.The importance of rural development and the centrality of people’s participation in that development, with government providing support, is a thread which runs through government legislation, policies and strategies since the eve of the dawn of democracy. What one gleans from this is government’s acknowledgment of the need for people to be meaningfully involved in their own development for the government interventions to be sustainable.

THE SOCIAL CAPITAL ASSESSMENT TOOL (SCAT)

When it comes to measuring the stock of social capital in various contexts, no standard tool has been developed for this purpose to date. This may be as a consequence of the fact that “not all studies of social capital are empirically driven, and only some among them have developed and utilized any precise measurement tools” (Krishna and Shrader (1999:1-2). Krishna and Shrader (1999) suggest to researchers to make use of any of the tools that exist or develop their own. Furthermore, Hjollund and Svendsen (2000:1) acknowledge and confirm that “consensus concerning a standardized method of measurement has not yet been reached”. One of the existing tools for measuring social capital is the Social Capital Assessment Tool (SCAT) and this tool has been adapted and used in this inquiry. According to Krishna and Shrader (1999:8) the SCAT is “a first step toward the development of a uniform measure of the myriad dimensions of social capital...a field tested set of indicators and methodologies that measure levels of cognitive and structural social capital in communities designated as beneficiaries of development projects” (Krishna and Shrader, 1999:8).

CONCLUSION

This chapter has provided a conceptual framework for this inquiry through a review of relevant literature. It has given an exposition of the key concepts against which the impact of government intervention in social capital formation is considered and

assessed, i.e. developmental local government and rural development. It is clear from the preceding discussion that, despite the seeming conceptual elusiveness of social capital definition, there are some key elements which run through almost all definitions and explanations of this concept, i.e. cooperation, trust, networks, and norms of reciprocity. What is also clear from this chapter is the long history of cooperation in South Africa through informal and formal types of networks such as stokvels and cooperatives. This suggests that for a long time social capital, as a resource, has been a feature of South African communities, particularly the poor and socio-economically vulnerable. The idea of developmental local government, which the government has embraced as key to service delivery in the post-apartheid South Africa, presupposes government intervention in people's development and necessitates the interface between the people and government at the point of delivery. It is the nature of this interface that this study focuses on, with a view to ascertaining the impact it has on local stock of social capital of rural communities. This chapter also touched on literature related to social capital measurement and introduces SCAT as a tool from which the empirical research instrument for this inquiry is adapted. The following chapter presents the methodological framework used for the empirical research part of this inquiry.

CHAPTER THREE

METHODOLOGY

INTRODUCTION

This chapter explains the methodology and research approaches used in conducting this inquiry. In the previous chapter, a wide range of literature was explored in a bid to formulate the theoretical framework upon which the study is based. This theoretical framework is comprised of three concepts, namely, social capital, developmental local government and rural development. The theoretical foundations outlined in the previous chapter include reference to the extent to which the theory of collective action has been a constant feature in various government legislation, policies and strategies. The notion of a developmental government as enshrined in the Constitution of the Republic of South Africa (South Africa, 1996) and as referred to in the White Paper on Local Government (South Africa, 1998) has been used to foreground government intervention in local collective action endeavours of rural communities. The previous chapter has presented literature which speaks to the trajectory of social capital as a concept and its growing acceptance as development resource and asset. To provide an overview of the policy and strategy environment in South Africa, reference has been made to a broad spectrum of government literature which reveals the policy and strategy trajectory of government in so far as developmental local government, rural development and cooperative action are concerned, dating back to the eve of the democratic dispensation.

This chapter provides a brief explanation of the approach and the paradigm used in this inquiry and the key methodological components that informed the study, namely, population and sampling, instrumentation, data collection, data analysis as well as validation and reliability. It presents and explains the tools, instruments and methods and introduces and explains the case study.

RESEARCH APPROACH AND PARADIGM

QUALITATIVE APPROACH

The inquiry assessed the extent to which the stock of social capital found in rural communities is impacted upon when government intervenes, as a sponsor and facilitator or partner, in development initiatives aimed at rural communities. The study interrogated the collective action efforts of two rural small-scale farmer groups with a special focus on the role of local government in sponsoring and supporting these efforts. An attempt was made to solicit and ascertain perceptions and views of various stakeholders concerning the extent to which government participation contributes to the formation of effective and efficient local organizational structures and relationships for purposes of achieving sustainable socio-economic outcomes. As an assessment based entirely on observation of participants' activities and soliciting their views on their own experiences regarding the activities they are involved with and relationships that facilitated these activities, the qualitative approach and the interpretive and critical paradigms of analysis were considered most appropriate for the case study. According to Hancock (1998:2) the qualitative approach to research is made up of the following key features:

- it is concerned with the opinions, experiences and feelings of individuals, producing subjective data
- it describes social phenomena as they occur naturally and no attempt is made to manipulate the situation under study as is the case with experimental quantitative research
- it seeks to gain understanding of a situation through a holistic perspective
- it uses data to develop concepts and theories that help us to understand the social world, which is an inductive approach to the development of theory
- data collection takes place through direct encounters with individuals, through one-to-one interviews or group interviews or by observation, and different types of sampling are used.

In carrying out the study, special attention was given to the relationships between beneficiaries of development intervention and facilitators or sponsors of such

intervention, namely, local government and non-profit organizations. The context of the study and the relationships and organizational structures underpinning various activities were considered to be of critical importance given that no human activity is context-free; due consideration was given to understanding people in terms of how they understand their world and their experiences in that world (Lincoln and Guba, 1985). This is a descriptive study in that, through observation and interviews, it presents a narrative and descriptive account of the case studies, (Parkinson & Drislane, 2011) with special focus on stakeholders' perspectives and views. Through interactions with various informants and observation of various activities, an interpretation of the informants' context and activities was made, based on the meanings they have brought into these contexts and activities. Their understanding and appreciation of the challenges, opportunities and benefits of collective action through organizational structures and networks and perspectives on local government involvement and interface with other stakeholders was interrogated and analyzed (Denzin & Lincoln, 2005). This was an outcomes-oriented study and, therefore, it did not seek to generalize the findings. This approach was preferred because of the allowance it gives to the inclusion of many different kinds of data collection and analysis techniques, as well as diverse theoretical and epistemological frameworks (Krishna & Shrader, 1999). The fieldwork relied greatly on semi-structured interviews and observations of the experiences and activities of participants and their views and interpretation of the phenomenon of which they are an integral part.

THE INTERPRETIVE PARADIGM

The interpretive paradigm was used in order to explain and communicate the participants' experiences and present an assessment of the impact of government involvement in rural communities' social capital formation. Walsham's (2006) explanation of interpretivism is quite apt for this study as it asserts the inescapable subjective nature of reality. Walsham (2006:320) argued that "methods of research start from the position that our knowledge of reality, including the domain of human action, is a social construction by human actors..." Therefore, the subjective and interpretive nature of data drawn from both the semi-structured interviews conducted

with various stakeholders and observations of various activities during inquiry could not be escaped.

INSTRUMENTATION: DESCRIBING RESEARCH TOOLS

The research tool used for this inquiry was adapted from the World Bank's Social Capital Assessment Tool (SCAT). SCAT is "a field-tested set of indicators and methodologies that measure levels of cognitive and structural social capital in communities designated as beneficiaries of development projects" (Krishna & Shrader, 1999:8). It is made up of three instruments, namely, a Community Profile, a Household Survey and an Organizational Profile. While the Community Profile instrument is useful in helping the researcher become familiar with community characteristics and issues relating to social capital for reference in later phases of the data collection and the Household Survey is "used for generating quantified indicators of social capital", given the limited scope of this study, only the Organizational or Institutional profile instrument was used. (Krishna & Shrader, 1999:17). The Organizational or Institutional profile instrument is useful for delineating the relationships and networks found among formal and informal institutions operating in the community and is a good gauge of structural social capital. Krishna and Shrader (1999) confirmed that the Organizational Profile instrument could be used as a stand-alone for assessing the strengths of particular local organizations *vis-à-vis* some specific objective or programme. They further pointed out that it could also be incorporated into an overall assessment of local-level institutional networks in the community and could be used to assess internal characteristics of organizations that could either promote or hinder collective action (Krishna & Shrader, 1999). Furthermore, the fact that this is a qualitative study makes it common cause to isolate and use only the Organizational or Institutional Profile instrument from SCAT, considering that this instrument does not concern itself with quantitative data to the degree that the Community Profile and Household Profile instruments do.

The original World Bank's Organizational Profile Instrument contained 48 questions (1.1 to 4B.5), some with probing sub-questions. The adapted instrument ultimately had a total of 53 questions. Due to the unstructured manner in which the instrument

was administered, some of the questions were indirectly covered through either voluntary or probed elaborations by informants. Some questions had to be left out completely as their inappropriateness and/or irrelevance became clear.

THE STRUCTURE OF THE INSTRUMENT

The instrument used is divided into three parts:

- Organizational Identity section (1.1-1.4), which applied mostly to the non-profit organizations involved with the two small-scale farmer groups, the farmer associations and the farmer cooperatives,
- Leadership Interview Guide (2A – 2D.11) which applied more to the non-profit organizations and less to farmer associations and farmer cooperatives and
- Membership Interview Guide (3A -3B.4), which applied to small-scale farmer group members.

The original instrument also contained the Non-membership Interview Guide (4A-4B5), which was supposed to apply to non-members who wanted to be members and non-members who did not want to be members of the small-scale farmer groups. However, this guide was not used, partly due to difficulties in identifying and securing interviews with non-members and partly because input from non-members was not of relevance to this inquiry. Three SCAT-based questionnaires were ultimately produced, and these were small scale farmers questionnaire (Appendix - A), farmer group leaders questionnaire (Appendix –B) and NPO managers and directors questionnaire (Appendix – C). Two additional questionnaires were developed for government officials (Appendix – D) and key informants (Appendix – E). The initial plan entailed interviews with customers who buy the produce from the two programs; however, the input from customers was later presumed not to be essential for this inquiry and was therefore not pursued.

This study recognised the complex nature of social capital measurement and the fact that mere group membership is not an adequate empirical measure to capture the complex experience of membership; it also appreciated that membership does not automatically signify that trust exists among members and in the community (Krishna & Shrader, 1999). Cognisant of this complex nature and the absence of a universal

approach to measuring social capital, this study was limited to the interface between the community represented by the units of analysis, namely, small-scale farmer groups, government officials and non-profit organisations' officials.

CASE STUDY AND SAMPLING

The study is based on a sample of fourteen small-scale farmers drawn from two small-scale farmer groups, located in two separate localities and districts, namely, Umbumbulu, which is part of eThekweni Municipality Area (EMA) and from a number of villages which are part of the Ugu District Municipality (UDM). Both municipalities are in the province of KwaZulu-Natal, South Africa.

GROUP 1 – PARTNER FARMER UMBUMBULU PROGRAMME (PFUP)

The PFUP is made up of approximately 79 participants who are individuals and a group of small-scale farmers who benefit from the Agrihub, a support center which provides agricultural training, subsidized inputs and facilitates access to markets.

GROUP 2- KUMNANDI FARMER PROGRAMME (KFP)

The KFP is made up of a community of small-scale farmers. The project started in 2009 with a nucleus of 50 farmers drawn from a baseline survey conducted with 136 households. This group of 50 had increased to 100 by the end of 2009. These small-scale farmers are supported and mentored by the Siyavuna Abalimi Community Development Centre (SDC), a non-profit organization. The SDC conducts training and mentoring of small scale farmers and facilitates development of successful micro-enterprises through Farmers' Associations and Marketing Cooperatives.

Purposive sampling was used to determine the type and number of informants. While the small-scale farmers from the two groups were natural informants because of their status as beneficiaries of the programs, the non-profit organizations involved with the two small-scale farmer groups were indispensable as sources of insight regarding the nature and effect of local government involvement.

A total of seven small-scale farmers from each locality were interviewed. In addition to these ordinary member-farmers and in instances where formal organizational

structures existed, the leaders or office bearers in associations and cooperatives were also interviewed. Two farmers who are chairpersons of Agri-marketing Cooperatives in the KFP were interviewed.

In addition, Directors of two non-profit organizations that are providing support to the KFP and the PFUP as well as managers from KFP and one mentor were interviewed. Two government officials from either municipality were targeted but only one official from eThekweni Municipality availed himself for an interview. Interviews were also conducted with three key informants, from the office of the Premier, the Provincial Department of Agriculture and a community development organization.

DATA COLLECTION: PROCEDURE AND PROCESS OF RESEARCH

The organizational profile questionnaire adapted from SCAT became the main instrument for the semi-structured data collection, particularly with small scale farmers and NPO personnel. The questionnaire was either administered face-to-face or sent to the informants either before or after an informal face-to-face interview. The questionnaire was administered face-to-face with member farmers and it was only with managers of non-profit organizations and government officials that, in some instances, the questionnaire was sent to them to complete on their own. In some instances, additional probing questions were posed to informants via telephone calls and e-mails. Five observations were conducted, namely, SDC Annual General Meeting (AGM), Hibiscus Coast Farmer Cooperative meeting, two local farmer association meetings and one community field worker (CFW) training session. The table below outlines various interviews conducted and other aspects of the empirical research done with small-scale farmers of both PFUP and KFP; informants from the non-profit organizations, the SDC and the NMCDC as well as officials of eThekweni Municipality (EM) and Ugu District Municipality (UDM):

Informant Category	Mode of Inquiry	Duration	Number of Informants
Small-Scale	Administered	±1 hour	14

Farmer Group Members	Questionnaire—		
NPO Directors	Administered Questionnaire and Unstructured Interview	±2 hours	2
NPO Managers	Administered Questionnaire	±1 hour	4
Mentors	Administered Questionnaire and Unstructured Interview	±2hours	1
Government Officials	Administered Questionnaire and Unstructured Interview	±2 hours	2
Key Informants	Unstructured Interviews	±2 hours	2
Totals		± 10 hours	25
OTHER ACTIVITIES			
CFW Training	Observation		1
CFAs	Observation		2
SDC AGM	Observation		1
Agri-Marketing Cooperative Board Meeting	Observation		1

Table: 1 Field activities, **Source:** Author

DATA ANALYSIS

The data analysis of this inquiry is based on the following hypothesis:

- While government intervention is indispensable in the development of under-resourced and marginalized communities, without sufficient understanding of how communities identify; forge and maintain social relations, locally identified and forged social capital combinations can be adversely affected by exogenous developmental interventions

The analysis is informed firstly by the NPOs' and small-scale farmers' interpretations of their experience of the role of government and secondly by the small scale farmers perspectives regarding the role of the NPOs. Furthermore, experiences of other stakeholders, such as participating non-profit organizations, of their relationship with farmer groups and with local government are critical for confirming or refuting the hypothesis.

The analysis draws comparison between the two case studies with respect to the extent of government involvement and the effects of that as well as the quality of systems and structures established with a view to building and consolidating social capital and ensuring sustainability of the two small-scale farmer groups. Insight from government officials and key informants also shed some light on how the effect of government intervention on collective action or social capital of rural communities is viewed by government agents and other stakeholders.

CONCLUSION

This chapter has explained the methodological approaches, the paradigms, the instruments and the processes used in this inquiry. It has given a brief preview of the case study and the sample for this inquiry. The next chapter presents the findings of the inquiry.

CHAPTER FOUR

EMPIRICAL STUDY RESULTS AND DISCUSSION

INTRODUCTION

This chapter presents the findings based on the case study of two small-scale farmer development programmes in two district municipalities, Ugu and eThekweni Municipalities, in the province of KwaZulu-Natal. In this chapter, the background and context of the case study is introduced and the nature of relationships characterising these programmes is explained and discussed, in particular the role of local government and how that role is perceived by other stakeholders. The chapter is divided into five sections. The first section is a brief recap on social capital and cooperative action in the South African context. The second section discusses the context of the empirical study. The third section recaps the case study and discusses in more detail the origins and modus operandi of the two programmes constituting the case study. The fourth section reports on the empirical research. The fifth section discusses the type of cooperation arrangements that obtains in these programmes; the role of government and opportunities for sustainable and self-sufficient small scale farmer structures and networks.

The findings of this inquiry are viewed against the backdrop of its hypotheses, which is that:

While government intervention is indispensable in the development of under-resourced and marginalized communities, without sufficient understanding of how communities identify; forge and maintain social relations, locally identified and forged social capital combinations can be adversely affected by exogenous developmental interventions

Furthermore, the findings respond to the key empirical questions of this inquiry which are:

- What forms of socio-economic networks were the members of the two farmer groups involved with before they got involved with these projects?

- What is the nature of local government involvement with the two programmes and how is this involvement contributing to the sustainability of these initiatives?
- To what extent is social capital being recognised as a key sustainability element for these projects and what is the role of government in this?

RURAL DEVELOPMENT, SOCIAL CAPITAL AND COLLECTIVE ACTION IN SOUTH AFRICA

In the theoretical framework chapter we observed that since 1994, the government of South Africa has positioned local municipalities as key providers of development and rural development has been identified as one of the priority areas for government intervention and investment. This has been evident in a series of legislative frameworks, policies and strategies released by government over the past decade, *inter alia*, the White Paper on Reconstruction and Development (South Africa, 1994), the Constitution (South Africa, 1996), the White Paper on Local Government (South Africa, 1998) and the Integrated Sustainable Rural Development Program (2000).

There is clear congruence between the idea of social capital, which speaks to networks of interaction and exchange contained in collective action and the South African philosophy of Ubuntu (Malucio, Haddad & May, 1999). Ubuntu captures the notion of humanness which embraces the belief that no man is an island and people survive in cooperative social contexts where helping others and being helped by others is a norm. The Ubuntu philosophy resonates with community life and collective existence and the ideals of caring and sharing and has been evoked a great deal to underscore many development initiatives in South Africa, in both the government and non-government sectors. It is, however, argued that this philosophy got eroded by the institutional set-up of the apartheid years with systems of governance geared towards controlling African people and completely depriving them of a sense of agency and self-reliance (Malucio et al., 1999). Moser and Holland (1997), as cited in Malucio et al (1999), argue that, the extent to which many South African communities, in the period prior to 1994, became divided and individualistic with little commonality in terms of needs and aspirations created a situation which has been viewed by some as bereft of social capital. There was, it

can be argued, a marked paucity of social capital stock before 1994, save for situations where collective action was for political and physical survival rather than economic advancement. Maluccio et al nevertheless contend that “repression by the state may have stimulated a self-help ethic at the household and community level” (Maluccio et al., 1999:5). Consequently, in the post-1994 dispensation, there are ample reasons for many to believe that there should be a resurgence of collective action given the favourable climate presented by the ascendancy of a democratic and caring government (Maluccio et al., 1999).

The advent of a democratic dispensation has spawned a myriad policies and programmes founded on the ideal of citizen-centred development, proactive citizenry and a vibrant and development-oriented civil society. For an example, one of the objects of local government, according to the Constitution of the Republic of South Africa, is that it must “encourage the involvement of communities and community organisations in the matters of local government” (South Africa, 1996:152e). The Reconstruction and Development Programme White Paper (1994) refers to capacity building as “essential for effective participation of civil society in RDP implementation” (South Africa, 1994:40). However, Maluccio et al. (1999:6), citing Moser (1997) and Woolcock (1998), have argued that the “rapid social, demographic and economic change, as in South Africa over the 1993-98 period could undermine the basis for trust and reciprocal relationships” [and] “can diminish and even erode social capital as a result of such phenomena as rural-urban migration, changes in demographic leading to smaller families and improved efficiency of government and the markets”. The post-1994 period in South Africa has seen a preponderance of government policies and programmes aimed at eradicating poverty and inequality and a commitment to an agenda of social, political and economic change through various interventions. This is important to highlight because of the emphasis it places on provision of a wide range of assets to previously disadvantaged people, particularly those in rural areas and former homelands. This emphasis on asset acquisition raises the question regarding the place of social capital, as a social and economic asset, on the government developmental agenda.

The following sections present the context of the empirical study and a description of the two small-scale farmer programmes constituting the case study of this inquiry.

THE CONTEXT OF THE EMPIRICAL STUDY

THE STUDY AREA

This study was conducted in the Ugu District Municipality and eThekweni Municipality, both situated on the east coast of the country in the province of KwaZulu-Natal (refer to Figure 3). The province is said to possess the comparative advantage with regard to its land and labour and as result agriculture is one of the key strategic sectors in this province (KwaZulu-Natal Province, 2013). It is argued that the livelihoods of millions in the province depend on agriculture which makes it a major economic and social force in the province (Ngcobo & Dladla, 2002). The province was, according to the 2001 census, home to about 9.8 million people, with about 250 000 working in the agricultural sector (Buthelezi, Jacobs and Punt, 2009). These figures translate to about 2.5% of the province's population that is involved in agriculture (Buthelezi, et al, 2009). Buthelezi et al (2009:1) contend that "the agricultural sector is an important sector in KwaZulu-Natal and thorough analysis is needed to identify areas of need to better the sector".



Figure 3: Map of KwaZulu Natal Province,

Source: *A Profile of KwaZulu Natal Province: Demographics, Poverty, Income, Inequality and Unemployment from 2000 till 2007*

UGU DISTRICT MUNICIPALITY

The Ugu District Municipality includes six local municipalities and is one of ten district municipalities in the province (refer to Figures 3 and 4) . According to the Integrated Development Plan (IDP) of the Municipality, the main agriculture products produced in this municipality are sugar cane, banana, vegetables, tea, coffee and macadamia nuts. Although agriculture is said to be ninety per cent commercial in this district, the IDP for 2011/2012 noted underperformance during the period under review which

was attributed to decline in investment, rising costs of production and lack of broader participation (Ugu District Municipality, 2007) .



9

Figure 4: Locality Map of the Ugu District Municipality, **Source:** Ugu Business Plan, 2006

ETHEKWINI MUNICIPALITY

eThekwini Municipality is a Category-A⁴ municipality located in South Africa's province of KwaZulu-Natal. The demarcation of municipal boundaries in 2000 meant that about 67% (see the yellow shaded parts of *Figure 5*) of eThekwini's spatial footprint became rural – this rural part of the municipality is characterized by a lack of basic services, fragmented service delivery, scarce economic opportunities and heavy reliance on social transfers, among other things (McIntosh, Xaba & Associates, 2007). The area is largely a hilly and rugged terrain, characterised by dispersed settlement patterns in traditional dwellings on communal land under a traditional system of land ownership represented by Ingonyama Trust⁵. The area features cases of severe poverty and unemployment, with most households relying on social assets such as community networks and organisations (McIntosh et al, 2007)

Umbumbulu is part of eThekwini Municipality and occupies a geographic footprint of 13645 hectares, with 3733 households, according to the 2001 census, but has a potential number of 9500 households. The area has been planned by eThekwini Municipality as a Rural Investment Node with a view to encourage formal local agricultural development in low density areas, establishing significant tourism and recreational development and linkage into established Metro structures and improved north-south linkage (eThekwini Municipality, 2011).

⁴ According to Chapter 7, Section 155 (a) of the Constitution of the Republic of South Africa, Act No. 108 of 1996, Category – A Municipality is a municipality that has exclusive municipal executive and legislative authority in its area.

⁵An entity responsible for administration of Ingonyama Trust land which is about 2.8 million hectares in extent spread throughout the province of KwaZulu – Natal in the Republic of South Africa. The Ingonyama Trust was established in 1994 by the KwaZulu Ingonyama Trust Act, (Act No 3 of 1994) to hold the land in title for "the benefit, material welfare and social well-being of the members of the tribes and communities" living on the land. The Act was subsequently amended by the KwaZulu - Natal Ingonyama Trust Amendment Act No 9 of 1997. <http://www.ingonyamatrust.org.za/>

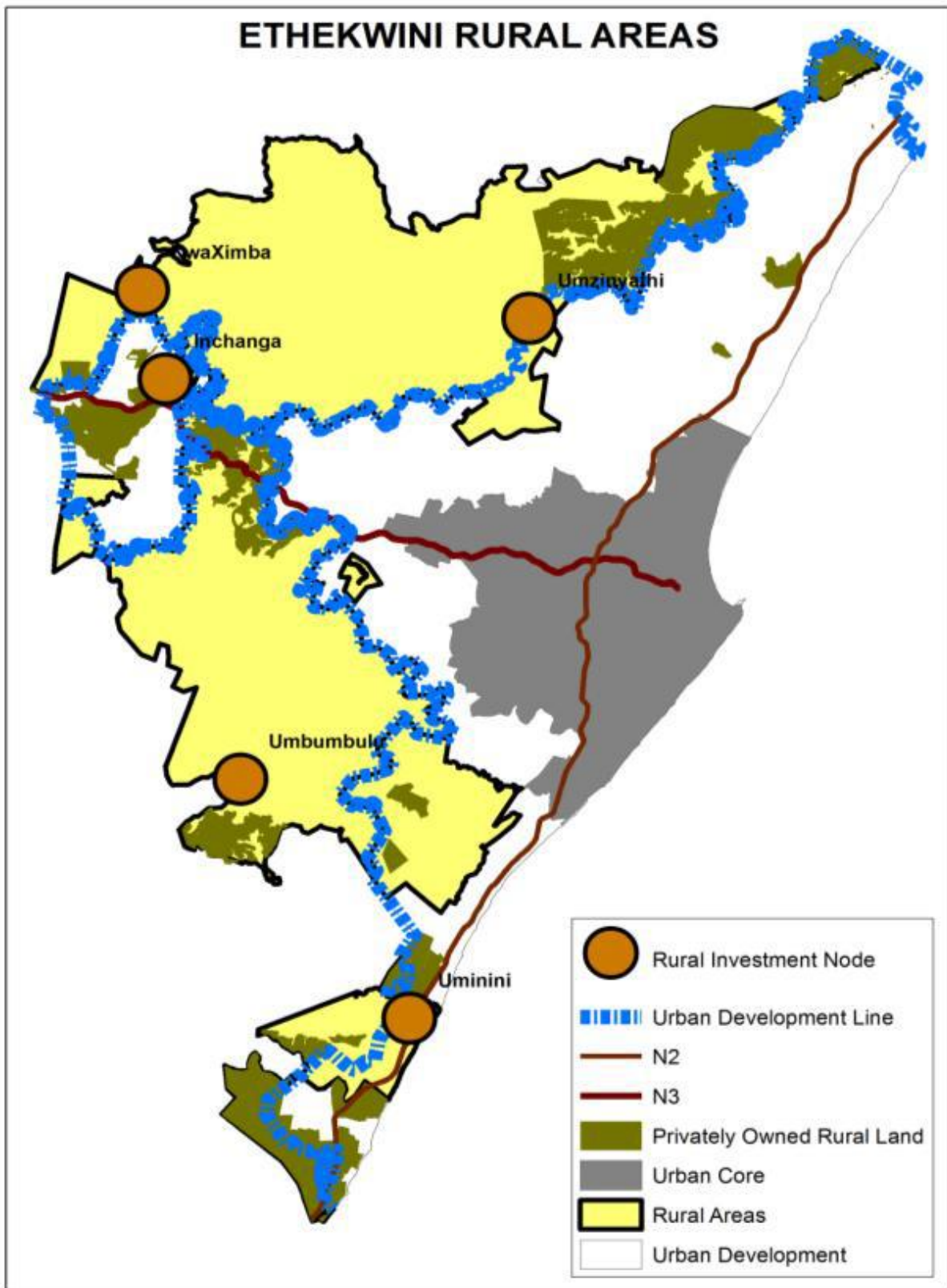


Figure 5: Locality Map of eThekweni Municipality

Source: eThekweni Spatial Development Framework (SDF), 2013/2014

The following sections present the case study data and conclusions derived from the empirical research conducted with the KFP and the PFUP.

THE CASE STUDY

SIYAVUNA ABALIMI DEVELOPMENT CENTRE (SDC) AND THE KUMNANDI FARMER PROGRAMME (KFP)

The KFP is a small-scale farmer development programme based on the Sustainable Community Investment Programme (SCIP) model, which is

A social enterprise model that has been developed implemented and tested by the Siyavuna Abalimi Development Centre (SDC), a non-profit organisation. The business model focuses on the advancement of local marketing services and support for poor small scale rural farmers in order to strengthen their position in the value chain...SDC is a non-profit organization currently operating from Margate, on the South Coast of the KwaZulu-Natal province and is implementing the Agri-SCIP model in the Hibiscus Coast Local Municipality and Umdoni Local Municipality, both part of the Ugu District Municipality (SDC, 2013:4)

SCIP is a citizen-led local economic development model informed by clear designation of roles and responsibilities for government and for communities (SDC, 2013). The SCIP model advocates that government takes responsibility for leadership and governance and communities are enabled to take “responsibility for the development of working local economies by building local productive capacities” (SDC, 2013:5).

According to this model, government invests in the community according to agreed principles and “create mechanisms for the development and maximizing of the circulation of public spending in local economies, unlocking the potential of the second economy to provide meaningful work at the local level for organized communities” (Siyavuna, 2013:5). The model protects and nurtures agricultural development by offering secure and rewarding market linkages for small-scale farmers via what is known as Agriculture-Sustainable Community Investment Programme Small Enterprise (Agri-SCIP SE)” (Siyavuna, 2003:9). At the centre of

the Agri-SCIP model are agri-marketing cooperatives which are “drivers of economic gain and improved livelihood conditions” (Siyavuna, 2003: 9). The agri-marketing cooperatives serve as a useful network for small-scale farmers to break into the market as they provide a guaranteed market for small-scale farmer produce and remove the risk from the individual farmer.

The Kumnandi Farmer Programme (KFP) is an outcome of a baseline survey conducted in 2009 with 136 farmers in the village of KwaNositha in the Ugu Municipal Area (UMA). The survey aimed to measure household food security and various income streams of the families so that a household food security program could be developed (Siyavuna: 2013:10).

Following the first intake and training of the KwaNositha small-scale farmers in natural and organic farming, the initiative expanded to three more communities. After a feasibility study was conducted, a non-profit organization, the SDC was founded to advance local marketing services and support for poor small-scale rural farmers in order to strengthen their position in the value chain. The SDC was founded through funding from various independent funding agencies and the local government now funds 10% of the SDC activities.

The idea of the Agri-SCIP SE model is based on small-scale farmers forming a Marketing Cooperative operating as a social enterprise – this model ensures that an enabling environment is created for small-scale farmers to thrive (Siyavuna, 2013:18). The model exposes small-scale farmers to the intricacies of an agricultural value chain and place them in a better position to effectively participate in that value chain by providing an avenue “to develop and strengthen their production capacity, quality of output and overall farm management, with full protection from the volatile and competitive market space” (Siyavuna, 2013:18).

By setting up local collection points for the produce of individual and groups of small-scale farmers to get to the market a procurement system was established, which entails “multiple collection points in the various communities” [and] “allows many

farmers to have easy access to the market to sell their surplus, as well as having access to valuable inputs such as seeds and tools” (Siyavuna, 2013:18).

The model is buttressed by a transparent and representative governance structure, effective quality control mechanisms in the form of a Participatory Guarantee System (PGS) and the Kumnandi social brand, under whose auspices the produce is sold. Small-scale famers are paid 60% of the retail price for their produce at collection points while the remaining 40% takes care of risk and other market contingencies. There are no restrictions to the quantity of produce that famers can bring to the collection point (Siyavuna, 2013:21).

The small-scale farmer governance structure works from the bottom up, with the local famers’ associations being the base tier of the governance structure (see Figure 6). Each farmer association elects a chairperson and secretary who represent the association at the next tier of governance, the Agri-Marketing Cooperative (Siyavuna, 2013:21). Local farmer associations hold monthly meetings, where they discuss various matters affecting them at local level, including challenges, successes and lessons (Siyavuna, 2013:23).

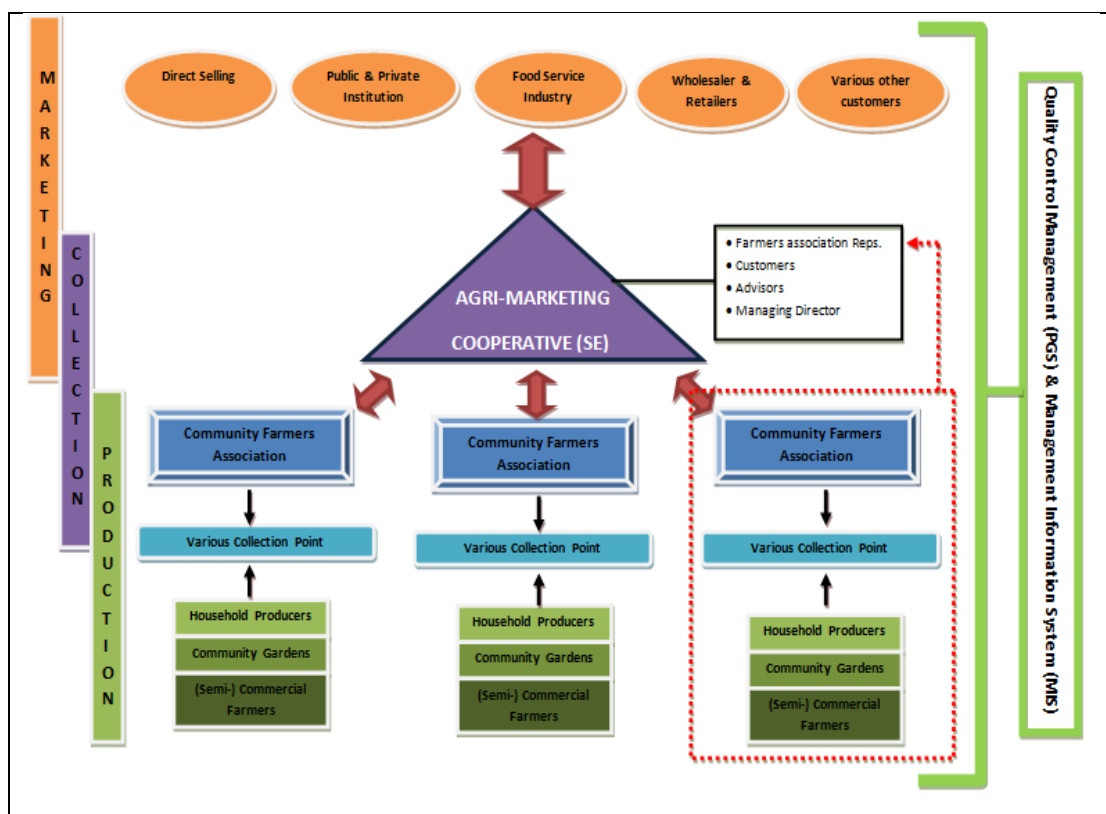


Figure 6 – An illustration of the relationship and governance structure of the KFP

Source: SDC

Figure 6 above illustrates how the relationships among different stakeholders in the KFP are structured. It is very clear from the diagram that relationships and structures of governance are centered on three key elements – production, collection and marketing. There is also a strong farmer involvement in all three aspects through community farmer associations and Agri-Marketing Cooperative. The invisibility of the sponsors and the managing NPO is quite conspicuous in this structure. The KFP model promotes bridging and linking social capital and it minimizes chances of too much bonding social capital emerging, which is not as empowering and favorable to growth as bridging and linking types are (Woolcock, 2000). Farmers are encouraged to form local farmer association which facilitates production and collection and ultimately they are assisted to set up the Agri-Marketing Cooperative which facilitates marketing of produce. This kind of arrangement ensures that farmers are actively involved and participate in all aspects and levels of the business.

THE NEWLANDS MASHU COMMUNITY DEVELOPMENT CENTRE (NMCDC) AND THE PARTNER FARMER UMBUMBULU PROGRAMME (PFUP)

A proposal presented to eThekweni Municipality by NMCDC in 2008 captured the objective and essence of the Umbumbulu Agrihub (UA) and the PFUB as being

To capacitate and add value to the existing loosely-arranged grower groups and farmers surrounding the Umbumbulu sub-node agriculture and marketing services centre. Particularly, improving access to markets, improving technical skills and providing coordinated support service within a managed environment. The pilot farmer development programme, run over a 12-month period is intended to facilitate improved levels of food security, food output and farmer profitability managed through a structured farmer support centre or sub-node. The sub-node has been conceptualised as a pilot project, with the intention

of the unit becoming a self-sustaining, self-sufficient operation under the management of partner farmers / localised farmer cooperative after the 12-month operational period (Coughlan, 2008:1)

It was on the basis of this proposal that the UA was established in 2009 to provide services to small-scale farmers located within the sub-node of Umbumbulu. Operating under the banner of Partner Farmer Umbumbulu (PFU), these farmers are beneficiaries of the UA. The UA was established with a contribution of R98 588 from Project Preparation Trust (PPT), which made it possible for eThekweni Municipality to buy into the initiative and contribute capital funding of R1 769 160 towards the construction of the UA. The UA provides training, a storage facility, subsidized inputs and market access to beneficiary farmers.

Newlands Mashu Community Development Centre (NMCDC) is a non-profit organization which develops solutions, programs and project management services for small-scale organic farming initiatives, particularly in disadvantaged communities, that lead to food security and economic development opportunities (Coughlan, 2008). The Umbumbulu Partner Farmer initiative is anchored on the UA, an input; training and marketing support center, which is an infrastructure investment wholly funded by the eThekweni Municipality's Infrastructure Management and Socio-economic Development (IMS) Department.

This project was started in 2010 with the vision to develop small-scale farmer skills, engage farmers in gainful partnerships, and secure market support and agriculture opportunities for them. The objectives of the project are to improve capacity and provide technical support to small-scale farmers through farmer support – this includes bulk buying and price negotiation, skills training, mentorship and market access (Coughlan, 2008). The ultimate goal of the intervention is to transfer the skills and knowledge required to operate the hub so that a local farmers' association ends up owning and operating the hub as an independent entity.

The PFU is an association of beneficiaries of the UA project. Each farmer is regarded as a partner in the operations of the hub, through volunteering time to learn

the administrative requirements of the hub, coordinate information dissemination to farmers and help form local farmer groups (Coughlan, 2008).

The eThekwini Municipality is the project initiator and sponsor and its role is to provide strategic management and long-term development of partner farmers. The municipality is responsible for project funding, management of service providers and ensuring socio-economic sustainability of the project.

The NMCDC plays the role of an implementing agent. The institutional arrangement set-up for this project is centered on a project steering committee made up of local government representatives, the NMCDC and participating farmers whom, it is envisaged, would ultimately form a secondary cooperative or growers' association that will take over the operations of the UA.

The NMCDC manages the UA and the member farmers are custodians of the Partner Farmer Umbumbulu brand (PFUB). The UA provides a market for the farmers' produce collected at various collection points and a meeting venue for farmers. The PFU is currently a group of approximately 79 small-scale farmers who constitute an informal association of individual small-scale farmers and small-scale farmer groups from the immediate locality of Umbumbulu and neighboring villages. The UA is managed by the NMCDC and its day-to-day operations are fully funded by eThekwini Municipality.

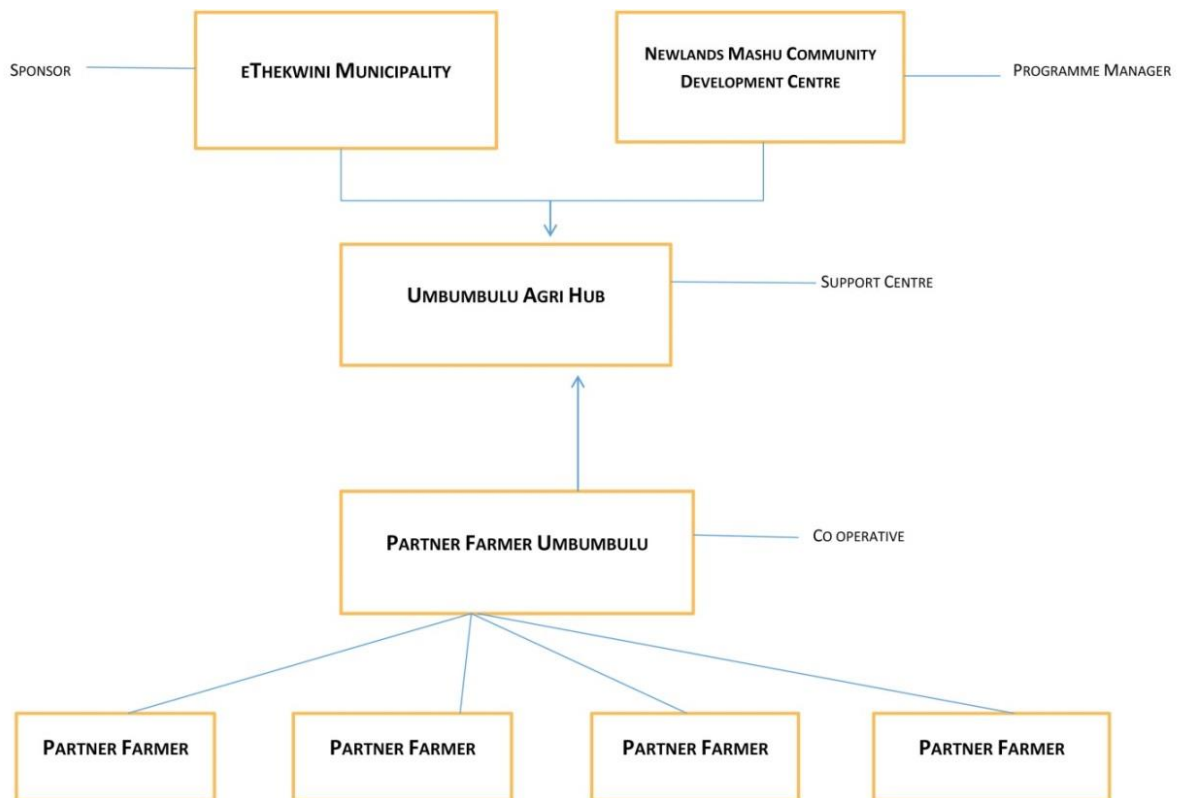


Figure 7 – An illustration of the relationship structure of the PFUP.

Source: Author

Figure 7 above illustrates structure of relationship which exists among various stakeholders involved in the PFUP and, more important, the role and place of government in that relationship structure. The top-down nature of the relationship is quite apparent. Partner farmers' identity is that of beneficiaries who are supported by a program that is sponsored by local government and managed by the NPO. There is no clear sign of an organized farmer body with allocated responsibilities geared towards equipping them to be self-sufficient and independent of external support. This model is characterized by a weak or no relationship among farmers except for the ideal of Partner Farmer Umbumbulu (PFU), which does not exist at this stage. This model exhibits more bonding and linking social capital and far less or no bridging social capital (Woolcock, 2000). Farmers operate individually and they see themselves as individual entities who are beneficiaries from the support that local government and the NMCDC provide. In essence, the model is anchored solely on a top-down relationship between the farmers at the bottom and the sponsors and

managing agent at the top. There is no clear relationship among farmers themselves.

EMPIRICAL RESEARCH FINDINGS

This section presents the findings from the empirical research conducted with the two small-scale farmer development programs, the KFP and the PFUP.

The key categories of informants interviewed were small-scale farmers, farmer group leaders, government officials, NPO representatives and some independent key informants. In order to assess perspectives of various stakeholders on the role of respective local governments in supporting these programmes, more or less similar questions related to the role of government were posed to the farmers, farmer group leaders and NPO managers and directors. These questions were drawn and adapted from the World Bank's SCAT research instrument. Other more generic and background oriented questions were posed but the main concern of the study was to solicit the informants' perspectives regarding the role of government in supporting networks of cooperation for socio-economic development of rural communities. Additional questionnaires were developed to solicit perspectives of local government officials but only one local government official, from eThekweni Municipality, was willing to be interviewed and to respond to the questions posed. Attempts to obtain responses from officials of the Ugu District Municipality were to no avail. Furthermore, input was also solicited from three key informants, two from provincial government and a third from an independent NPO involved in community development.

Five observations were undertaken, two of which were meetings of Community Farmers Associations (CFAs), one was the SDC Annual General Meeting (AGM), the fourth one training of Community Field Workers⁶ (CFWs) and the last one was a meeting of the board of one of the two Agri-Marketing Cooperatives, the Hibiscus Coast Agri-Marketing Cooperative.

⁶ Farmers who are elected by fellow members of a Community Farmers Association (CFA) to undergo training so that they can provide mentorship and support to members of the association (see Figure 6)

The perspectives of various informants are presented according to informant categories. While several general questions were posed as part of both unstructured and structured interviews, the focus of responses and perspectives is on responses to questions relating to relationships among various role-players, particularly responses and perspectives concerning local government involvement. Furthermore, the section touches on responses and perspectives regarding how various structures operate, both internally among members of individual structures and externally in their relationships with other structures, for example, farmer associations, farmer cooperatives and NPO management and support staff.

STRUCTURAL DIFFERENCES BETWEEN THE KFPF AND THE PFUP

The sample for the empirical research was drawn from the two farmer support programs, the KFP and the PFUP. These programs have similar goals but there are some notable structural and operational differences. It is important to highlight these structural and operational differences so that the perspectives of member farmers could be viewed in the correct context. On the one hand, the KFP is characterized by well-organized farmer groups that have been established into local farmer associations and Agri-marketing cooperatives with support of SDC, an NPO. On the other hand, the PFUP appears to be aspiring to the level of organization that KFP has achieved but the farmers in this program participate as individual farmers, not as a formalized network. With regard to the PFP, the UA is the main common denominator on which member farmers converge because of the services it provides, but there is no formal farmer organization of the kind evident in the KFP. When the UA was established and farmers recruited, the initial objective was to train farmers on permaculture and organic agriculture methods and then constitute them into an association under the Partner Farmer Umbumbulu brand (PFUB). Although the program has been running for four years, this association or cooperative has still not materialized in earnest and in practice.

It is these structural and operational differences between the two programs which mark the difference in the quality and benefits derived by the respective small scale farmers from being part of the respective programs. The KFP members have formed into local farmer associations (LFA) which meet on a regular basis to discuss issues

of common interest and they are represented in the Agri-Marketing Cooperative (AMC) Board, which ensures that their produce gets to the market. This set-up creates an effective platform for interaction among members and facilitates cooperation on a number of levels. The PFUP members do not enjoy such a platform and they participate on the programs largely as individual beneficiaries of the UA.

SMALL-SCALE FARMERS' NETWORKS OF COOPERATION BEFORE INTERVENTION

The questionnaire prepared for interviews with small-scale farmers was made up of 35 questions adapted from SCAT and translated into isiZulu and the interviews were also conducted in isiZulu (see Appendices A1 and A2). The questionnaire was designed to probe three key areas relating directly to the hypotheses and key questions of this inquiry. Firstly, it aimed at discovering the kinds of activities that the farmers were involved in before they became part of KFP and PFUP and to ascertain the amount of social capital stock or the extent of cooperative networks that may have existed among them before the intervention. Among the questions posed were:

“What were you doing before you became part of this programme?”

“Are you part of a group or do you work alone?”

“Do you prefer working in a group or alone? Why?”

“Are you a member of any other organization in the community?”

Out of the 14 small-scale farmers that were interviewed only three were members of worker cooperatives⁷ and all three were registered cooperative. The rest of the farmers worked their own gardens as individuals and only shared membership of local associations and Agri-marketing cooperatives, in the case of KFP members; and membership of the UA, in the case of the PFUP members. All of them were active in agriculture before they were recruited into the respective programs but the majority of them were largely subsistence farmers with only minimal surplus sold to neighbors. Only 1 farmer is a member of another agriculture-related initiative – he serves as chairperson of a small scale sugarcane farmers' committee. About 95% of the farmers expressed preference to work as individuals and to hire additional help

⁷ Worker cooperative - The key defining feature of worker co-ops is that worker-members in the co-op own and control it, on the basis of 'one member one vote' (Philip, 2003:4)

when required, instead of co-owning the initiative. The reasons cited included lack of commitment from other members when working as a group and the tendency for members not to pull their weight equally while expecting equal rewards at the end of the day. Thus, while they appreciate that when working as a group they stand a better chance to get sponsorship and support than when working as individuals, they are not keen on working in groups. Another reason for general reluctance to work in groups was that some people would join the group for their own selfish gain and would not pull their weight to advance the collective. The issue of lack of integrity in the handling of shared resources was also cited as a problem.

FARMERS' PERSPECTIVES ON DEVELOPMENTAL INTERVENTIONS

The second focus area of the interviews was the farmers' views and perspectives regarding the interventions they were beneficiaries of. This touched on their reasons for participating and what they perceive to be the value of the interventions and the benefits they have derived. Among the questions posed were:

“How did you become involved with the program?”

“How has this program helped you?”

“Have you seen any improvement in your productivity since you joined?”

“Do you visit each other's gardens?”

All 14 interviewed farmers were recruited on the program after learning about it through various avenues. Some heard from neighbors, some learned about it at local community meetings. They all volunteered to join because of the potential benefits they thought they would derive from membership. When asked about how membership of this program has benefitted them, the key benefits cited across the board were: improved productivity because of the natural and organic methods they were taught to use; access to subsidized inputs; and access to markets for their produce. On the question of cooperating among themselves, such as visiting one another's gardens and learning from one another, although some claimed to do that it was clear that in most cases such interaction is centered on sharing inputs such as seedlings and compost or borrowing implements, etc. and does not translate into a formally organized structure characterized by regular meetings and purposeful

interaction except in the case of the KFP members where platforms such as LFAs and AMCs facilitate regular interaction and sharing of lessons, information and knowledge.

It is important to point out that, according to what was observed in the field, the benefits that these farmers seemed to derive from being part of these programs had very little to do with cooperation among themselves but with the assistance and support they are able to access from external agencies through membership. When asked whether they see themselves operating independently in future without any external support, all farmers were of the view that it's still a long way to go before they become independent of external support and their independence would depend on them acquiring adequate resources and facilities to do the work as well as necessary skills and knowledge required to be efficient players in the market. Most of them believe that with adequate subsidization they can live on agriculture. Their biggest concern was the uncertainty of adequate access to markets without external support. The PFU members in particular, were not confident that they would be able to run the UA efficiently on their own. They were of the view that there is not enough capacity building and skills transfer geared towards preparing them to stand on their own. They felt that some of their members should be involved and capacitated in activities such general administration, grading, packaging and pricing of produce to equip them to ultimately run the UA on their own.

FARMERS' PERSPECTIVES ON THE ROLE OF LOCAL GOVERNMENT

The third factor was that of government involvement. Among the questions posed to farmers were:

“Have you ever received any support from government in the work that you do?”

“What do you think the role of government should be?”

“Do you have access to information regarding government program in your community? What are your sources?”

“What kind of assistance do you need the most from government?”

All farmers interviewed expressed appreciation for the support provided by the NPOs – the SDC and the NMDCDC. Some of them were interestingly oblivious to the contribution that has been made by respective local governments to the same program they are members of. They, however, did mention the support they intermittently receive from agriculture extension officers deployed by the provincial Department of Agriculture. Nevertheless, the support that is managed and facilitated by the two NPOs was regarded by the farmers as the first of its kind and the most helpful and beneficial to them. When they were asked about the support they are receiving from government the answer was invariably, no government support. This was in spite of the fact in the KFP, for example, the local municipality has committed to sponsoring 10% of the budget over a three year period and the PFUP has had its infrastructure, which is the UA, and day-to-day operations wholly funded by local government since 2009. It was apparent from the farmers' responses that they were not clear or aware of the nature of the contribution made by their local government. The majority of farmers referred to NPO support as the only support they have received either since they joined the respective projects or since they got involved in agriculture.

Most farmers got to know about the support provided by the two NPO through community meetings, some unrelated to agriculture, and also by word of mouth from neighbors and relatives. All interviewed farmers were already involved in agriculture when the support came but most of them were doing it for their own consumption and not with any prospect or intention to produce surplus for income generation.

When one farmer was asked what he thinks of government involvement and whether he has benefited from government support, his response was: "Government come up with campaigns but does not support them enough to realize meaningful results, for example, the one-home-one-garden campaign⁸ only provided seeds and seedlings and not implements to work with." Some farmers believe that local

⁸ A campaign founded by the government of KwaZulu Natal to ensure that every home has a sustainable source of vegetables in the garden...a campaign for self-sufficiency in food production for KwaZulu Natal, revitalisation of the agricultural sector of the economy, creation of jobs and fostering nation building across different communities, including the partnership of emerging and established commercial farmers (http://www.diakonia.org.za/attachments/145_DCC%2035th%20Mercury%20-%20Final%20Page%204.pdf)

government means local councilor, not government officials; one farmer mentioned that “the local councilor only came once to see the project.” Most farmers attend community meetings called by local government but they feel that “most of the input made at these meetings is never translated into any concrete government intervention”.

Another interesting point made by some farmers was with regard to the relationship between the department of agriculture and their projects, which they felt is not very good, because of their different approaches to agriculture – with the agriculture department allowing use of fertilizer and pesticides and the NPOs advocating for natural and organic methods. Their view was that the two parties (government and NPOs) need to find common ground and appreciate that they both have similar goals and objectives although they employ somewhat dissimilar approaches towards achieving them.

FARMER GROUP LEADERS’ PERSPECTIVES

The questionnaire used for interviews with the leaders of farmer groups was made up of 16 questions, which were essentially questions 2A.4 to 2D.11 (see Appendix - B) of the SCAT. The questionnaire was administered only with leaders of AMCs of the KFP. Since the PFUP does not have any formal farmer structures with designated leaders, no similar interviews were conducted with the PFUP farmers. Two farmer leaders from the two KFP AMCs, the Hibiscus Coast Agri-Marketing Cooperative and the Umdoni Agri-Marketing Cooperative, were interviewed. The key questions posed were to do with how they perceive the institutional capacity of their cooperatives, the linkages they have with other cooperatives within and outside their local community. Furthermore, their perceptions were solicited regarding the support from both the SDC and government and what it will take for them to operate independent of external support. Among the questions posed were the following:

“How would you characterize the quality of **leadership** of this organization, in terms of stability, number of leaders/availability, diversity/heterogeneity of leadership, quality and skills of leaders and relationship of leaders to staff and to the community?”

“How would you characterize the **organizational capacity** of this organization, in terms of carrying out specialized activities (e.g., credit, commercialization), supervising and contracting consultants, preparing financial reports for banks, donors, and government, reacting to changing circumstances (e.g., price fluctuations, change in government), developing specific plans for the future (instead of reacting to opportunities as they present themselves) and reflecting on and learning from previous experiences?”

“Could you describe your relationship with the government?”

“Have you had experience in trying to get government assistance?”

“What is the level of government’s understanding and acceptance of your programmes?”

“What kind of support would you like to receive from government?” “Is that support forthcoming?”

“Do you have any linkages with similar cooperatives within and outside of your community?”

The two chairpersons of the Agri-Marketing Cooperatives emphasized the importance of the support they are receiving from the SDC and pointed out that government should be following the SDC example when formulating interventions of this nature. They alluded to the sponsorship received from local government after two years the KFP operating with only the support from the SDC. The two leaders felt that local government only came on board after witnessing what the farmer cooperatives were achieving with the help from the SDC. Both leaders admitted that their cooperatives are still not capacitated enough to run on their own without the SDC support. Their financial planning and reports are still done by the SDC. They also pointed out that the youth is not very keen on participating which makes it even more difficult to develop capacity within the cooperatives since the majority of people

involved are old people with low levels of education. What they saw as another challenge or barrier to the cooperatives becoming self-sustaining and self-sufficient was the fact that most member farmers do not see the cooperative as a business which they must take ownership of and develop, instead they seem to be perpetually looking up to the SDC for support and guidance. They also seem to expect the SDC to indefinitely take the risk and secure the market on their behalf. The relationship with government and the involvement of local government was regarded as having improved compared to the aloofness which characterized government outlook in the early stages of the program. The leaders also expressed concern about some member farmers who join the program expecting immediate results and pull out as soon as they realize that “the cooperative is not getting something but it is about creating something first before you get something”.

NPO DIRECTORS’ AND MANAGERS’ PERSPECTIVES

Two non-profit organizations play management and supporting roles to the two programs. The KFP is managed and supported by the SDC and the UPFP is managed and supported by the NMCDT.

A questionnaire comprising 26 questions was administered with the directors of both the SDC and the NMCDT. The questionnaire is attached on this report as Appendix-C. The same questionnaire was administered to managers and mentors from the two NPOs.

Perspectives that emerged from interviews with this category of informants were in response to questions ranging from the nature of relationship they had with government, government understands of the NPO models of development as applied in the case study and what the NPOs are doing which is different from what government does. There was a good deal of congruence in the responses from the directors of the both SDC and NMCDT. The issue of government insistence on compliance came up a few times. One of the directors lamented that “government does not appreciate that mere compliance with legislation and policy does not equal success, instead it calls for investment of resources such as time and money”. One director referred to their relationship with government as having been “testing over

the years, frustrating and often demoralizing”. When asked whether they think government understand their (the NPO’s) model of development, the general response was that that government does not take time to understand initiatives in communities they get involved with. One director was categorical in saying that “while government supports these livelihood initiatives, there is little depth of vision on the part of government concerning self-sufficiency and sustainability. There was also, however, an expression of some understanding as to why the challenges they experience in working with government exist. One of the directors pointed out that “government has a big challenge. NPOs have the luxury of working small whereas government has a bigger mandate”. Both directors conceded that government is overstretched but they also felt that meaningful partnerships with the NPO sector could go a long way in alleviating this challenge. What received most emphasis from the NPOs was the need for government to take time to understand the dynamics of communities in which it seeks to implement its programs and to appreciate the value of partnership with NPOs, who mostly specialize in specific development areas where government is only a generalist.

LOCAL GOVERNMENT OFFICIALS’ PERSPECTIVES

The Hibiscus Coast Municipality, which is part of the Ugu District Municipality, has made a commitment to contribute 10% to the total funding of the KFP for a period of three years. On the other hand, the eThekweni Municipality has provided infrastructural and on-going operational funding to the PFUP.

The questionnaire for government officials was made up of 24 questions and is attached as Appendix C on this report. Two officials from the Ugu District Municipality and eThekweni Municipality involved with the KFP and PFUP respectively were identified to be interviewed. However, an interview was ultimately only secured with the eThekweni Municipality official. All attempts to secure an appointment with the Ugu Municipality official were to no avail.

The two projects, KFP and PFUP, differ significantly in their relationships with local government and the role that the respective local governments play in these

projects. The key distinction could be said to flow from how the projects were founded and the role of respective local governments in their founding and support.

Whereas KFP was founded by SDC, independent of local government; the PFUP was founded by a partnership between the NMDCD and the local government, with local government contributing the lion's share of the start-up capital as well as funding for operations. In the case of the KFP, the local municipality only came on board with support of 10% of the total budget when the project was already up and running. According to local government officials from both municipalities, these projects were founded to mobilize communities for collective action and to provide basic support such as physical infrastructure, training, inputs and access to markets. According to the official from eThekweni Municipality, the main aim of the municipality was to create a support center made up of physical infrastructure for packing and storage, inputs outlet, extension services and access to markets for the local small-scale farmers. The plan was to limit government involvement as much as possible by facilitating the establishment of a farmers' association to ultimately run the support center.

However, the official admitted that the core support from government got frustrated by management changes within the municipality and the sustainability plan was never followed to its logical conclusion. He was of the view that NPOs and NGOs at the coal face of development are better equipped and positioned to leapfrog development intervention to sustainability than government is. But he contended that this would take good, healthy relations and mutual understanding and role clarification between government and the non-government stakeholders. He was of the view that the two stakeholders must be on the same wavelength regarding the goals and objectives of the initiatives.

He admitted that there were some mistakes they made as government in the manner in which they conceived the program. For example, they assumed that the farmers were going to be entrepreneurial and embrace the support as a catalyst to help them stand on their own. He also conceded that a one-size-fits-all approach was applied; there was also a lack of decisiveness from the municipality regarding how roles and

responsibilities were to be allocated and/or shared, both among internal departments and between government and the NPO, NMCDT. He also pointed out that government involvement was a bit half-hearted because of the multiple projects that a government project manager was involved with at the same time, resulting in the nature of involvement being a paper-chasing exercise depending largely on reports from the implementing NPO. He also felt that the implementing NPO was not entrepreneurial enough and that it should have looked at government support as a catalyst, not a long term sponsorship. Nevertheless, he admitted that government involvement denudes community initiatives of the economic fundamentals because government tends to play all parts of the game, including absorbing risk and providing market products and services. His general view, however, was that the project was and is very successful in terms of addressing food security, although access to markets and entrepreneurial success has been very limited.

When asked how he thinks government is perceived by stakeholders on the programme, particularly the beneficiaries; his response was that “Government is generally seen as a sponsor by the beneficiaries and the stakeholders associated to the project. It is for this reason that part of the implementation strategy for the project was that the implementer should be an NPO, to influence the beneficiaries to view the implementer as a partner who falls in line with the project intentions”.

On the ideal role he believes government should play in initiatives of this nature, his response was that that “government interventions tend to be overprotective, less space is given for the beneficiaries to take risk, therefore the beneficiaries never get to experience the risk and reward relationship entailed in their efforts, because the rewards are always guaranteed due to government stipends or income streams. This leads to social dependency rather than social capital”.

On how best he thought government could leverage local social capital for socio-economic development of rural communities, his response was that “Government programs need to facilitate access and ability to take advantage of available opportunities. This could be done in the form of guidance and advice, technical

training, access to finance (loan-finance) and prioritizing education as the key tool for social upliftment”.

His assessment of the role of the NPO was that “it played a very positive role in this project, because it provided space for access to new skills and competencies, links to markets and extension services to the farmers”.

KEY INFORMANTS’ PERSPECTIVES

Interviews were conducted with three key informants, two from the provincial government of KwaZulu-Natal, the Office of the Premier and the Department of Agriculture and the third one from a rural development non-profit organization. A questionnaire comprising 13 questions was developed for this purpose and was administered in an unstructured manner. The questionnaire is attached on this report as Appendix - E. The key questions posed to the key informant were concerned with the effect that government intervention has or may have on initiative and innovation in rural communities and also on the extent to which sustainability of exogenously supported initiatives could be ensured. Provincial government informants conceded that most cooperative action groups, whether registered cooperatives or informal groups, fail to manage their resources in such a way that they are able to invest back into the enterprise from season to season. They further pointed out that government and other interventions tend to remove all the attributes that define what an entrepreneur is – government tends to take risk on behalf of the enterprise, shelter the enterprise from market forces by securing markets for them or having government play the role of a captive market, such as when agriculture cooperatives are made sole suppliers for government hospitals and schools, etc. Both provincial government informants agreed that there is mostly no natural progression from subsistence to commercial farming and that government’s criteria for funding and support indirectly forces people to enter into cooperative relationships not voluntarily but in order to access government support. The third key informant from community development background was very critical of government involvement in local livelihood initiatives. His argument was not that government should not be involved but that it should be informed involvement, underpinned by a clear understanding of local dynamics. His concern was that “when you bring external forces into a local

space that has a displacing effect”. He was of the view that “the state is in a compliance mode” instead of “being prepared to learn” from the contexts in which its programs are implemented. Overall, the perspectives from key informants pointed to the need for government to play a catalytic role and to invest in an enabling environment for livelihood initiatives to thrive instead of taking over by attempting to be everything to everybody while being too concerned about issues of compliance.

FIELD OBSERVATIONS

What the five observations done with the KFP revealed was a concerted effort on the part of the SDC to empower small scale farmers and to ensure that develop into independent and self-sufficient business entities. Three critical level of the KFP *modus operandi* were observed, namely, capacity building; farmer network structures (CFAs and Cooperatives). The SDC AGM represented the development support aspect of the KFP and the various stakeholders involved. At the CFA and the Cooperative Board meetings one could appreciate the level of commitment to cooperative action from most farmers. The level of proficiency with which they conducted their meetings was impressive. It was very clear that there is a great deal that the PFUP can learn from the KFP with regard to setting up and running structures of cooperation and networking. It was clear from meetings observed that the CFA and the Agri-Marketing Cooperatives are useful and effective platform for farmer-to-farmer interaction and for sharing of ideas and lessons. At one of the meeting CFA meetings the issue discussed was the effectiveness of the home-made organic pesticide they had been advised to use instead of chemical-based pesticides. There was an interesting divergence of views with some farmers complaining that the pesticide was not effective while others holding opposing views. What was ultimately resolved was that those farmers who were having difficulties with the pesticide should check their mixing of ingredients against how the other farmers do it so that they can be sure of the correctness of their mixing. This was a clear case of the sharing of lessons and cooperation happening on the CFA platform among farmers.

What was revealed at the SDC AGM was the largely the values which underpin the SDC involvement with small scale farmers and their perspective on government

involvement. The chairperson of the SDC Board of Directors went to the extent of stating categorically that “self-help initiatives are a threat to government” and went on to caution that “projects that are dictated to the people do not succeed”. He, however, acknowledged that the SDC and government have one and the same client or beneficiary, and that is the small scale farmer, and it is therefore important that they work in partnership to support these farmers. Some of the sentiments that came out quite clearly at the SDC AGM regarding the role of government were that:

- Government must embrace the KFP not throw money at the problem
- Government must concern itself with sustainability of its interventions

It was clear from the sentiments expressed at the AGM that although government had come on board with 5% sponsorship of the KFP, more was still expected from government particularly with regards to a change of outlook and strategy to community development and appreciation of the values and principles underpinning the KFP model.

The training of CFWs is another important pillar of the KFP, an element which is non-existent in the PFUP. From the observation of the CFW training it was clear from the content and approach to training that the aim is not to develop mere liaison officers to facilitate the interaction between the farmers and the SDC but to develop mentors who are going to be of assistance to farmers at community level. The training program covered both agriculture methods and some business skills from grading, packaging and pricing to marketing and book keeping.

The need for the youth to get involved came up across all four observed scenarios but was much more pronounced in the SDC Director’s report to the SDC AGM. She was quite emphatic about the need to link up the young and the old, particularly for purposes of record keeping and also to secure a succession plan. She was hopeful that as the value chain grows young people are likely to be encouraged to get involved.

It was unfortunate the PFUP presented no opportunity for observation given absence of organized structures and regular meetings. It must reiterate that, from point of view of organized structures and networks of interaction which signify social capital

combinations, the two program operate at extremely diverse levels, with the KFP being well organized and PFUP only beginning to aspire to the kind of set-up and *modus operandi* evident in KFP as revealed in the Discussion Document of 2014 (Delany, 2014)

NETWORKS AND SOCIAL CAPITAL COMBINATIONS INVOLVED

The relationships among various stakeholders involved in the two programmes point to certain networks and social capital combinations worthy of analysis for the purposes of properly locating respective local governments and understanding their role in these networks.

NETWORKS OF COOPERATION

The adopted working definition of social capital for this inquiry, as alluded to in Chapter 2, is that “social capital is the set of resources, tangible or intangible, that build over time to cooperative constituents through their social relationships, facilitating the attainment of goals” (Hong & Sporleder 2012: 3). On the basis of this definition, two levels of social capital can be gleaned from the preceding perspectives which explain the relationships characterizing the two programs. On the one hand, there are social capital combinations being forged among small-scale farmers through mobilization and facilitation by the two implementing NPOs – SDC and NMDCD. On the other hand, the implementing NPOs are in partnership or are collaborating with local governments, albeit to varying degrees – this can be regarded as the second level of social capital or cooperative action.

Also apparent is that the kind of social capital that has taken shape, to varying degrees, in both the KFP and PFUP is externally facilitated, with the farmers being mobilized around what promises to be an arrangement that would benefit them collectively and individually. The relationship between local government and the NPO is clearly for the purposes of advancing the farmers’ collective action to the point where they can be self-sufficient and self-sustaining and, in doing that, the local governments and the NPOs are also engaged in collective action between themselves. It can therefore be argued that the returns on the collective effort of the farmers would most likely be greatly enhanced if there is a good relationship

between government and the NPOs. In this triumvirate, the NPOs are an intermediary and the government is or is expected to be the key sponsor of the collective action or social capital at both levels.

SOCIAL CAPITAL AND GOVERNMENT INVOLVEMENT

The nature and level of government involvement differed significantly between the two projects. The manner in which government involvement is perceived and received by both the farmers and the NPOs in the two programs appeared to be largely informed by the nature and extent of involvement of the two local governments. The differences in the nature and extent of involvement of the two local governments are obvious in five key aspects of the projects, which can be classified as:

- role of local government from inception;
- funding ;
- operational role ;
- involvement in organizational structures and
- accountability.

These differences are summarized in Table 4.1 below:

<u>DIFFERENCES</u>	<u>PFUP</u>	<u>KFP</u>
ROLE FROM INCEPTION	Established in partnership with local government	Government was not involved in the founding of the project
FUNDING	More than 90% of capital funding came from local government	Government funded 10% of the project about two years after inception
OPERATIONS	Local government funds day-to-day operations	Operations are mostly funded through donations from non-government agencies
INVOLVEMENT IN ORGANIZATIONAL	Local government has permanent	No permanent representation of

STRUCTURES	representation on the project steering committee	government in the structures of this programme
ACCOUNTABILITY	The NPO is entirely accountable to local government	The NPO is only accountable to local government for designated funding from local government

Table 2: The above table outlines the key differences between the PFUP and the KFP, **Source:** Author

SOCIAL CAPITAL AND NPO INVOLVEMENT

The steps that the two NPOs have taken to facilitate and build effective networks among member farmers of the two programs reveal glaring differences between what the SDC has achieved compared to what the NMCDC has managed to do. The two NPOs differ on two key aspects of intervention but only in extent rather than form. These aspects are governance systems and structures, and farmer development.

SDC NETWORK FORMATION STRUCTURES

The SDC modus operandi is strictly based on the Agricultural Sustainable Community Investment Program (Agri-SCIP), which “is a social enterprise model that has been developed, implemented and tested by the SDC” (Siyavuna Abalimi Development Centre, 2013:4). This business model has at its core the “advancement of local marketing services and support for poor small scale rural farmers in order to strengthen their position in the value chain” (Siyavuna Abalimi Development Centre, 2013:4).

As shown in Figure 4, the SDC has followed with great commitment the Agri-SCIP SE model and created participatory structures in various communities where member farmers are located. The most basic of these structures is the local farmer

association. Farmers' associations have democratically elected chairpersons and secretaries who represent the association on the board of directors of the Agri-Marketing Cooperative. The Agri-Marketing Co-operative functions as a social enterprise and serves to provide a fair and regular market to small-scale farmers.

NMCDT NETWORK FORMATION THROUGH NETWORK STRUCTURES

The PFUP did not exhibit any formal structures and systems of governance. The shared membership among participating farmers is that of being co-beneficiaries of the Agri-hub. Unlike SDC's KFP which has active governance systems and structures and a clear enterprise development element in the form of local farmer associations and Agri-marketing Cooperatives, PFU is organized around the Umbumbulu Agri-hub, which is a support and mentoring facility where small-scale farmers converge to receive training and buy inputs. The Agri-hub also serves as a packaging and storage facility as well as administration centre for the farmers. There are no clear structures geared towards facilitating participation and ensuring sustainability of these farmers as viable enterprises. Although some farmers work as groups on their community gardens, there are no systems and structures that are intended to ensure democratic participation, sustainability and self-sufficiency. It is only recently, in a discussion paper evaluating and making long-term proposals for the Agri-hub, that the idea of establishing governance systems and structures akin to those of KFP has been mooted⁹.

SDC FARMER DEVELOPMENT TRAJECTORY

The KFPF is based on a farmer development continuum which divides the agricultural interventions into three categories, determined according to farmers' level of production. The first category of production entails every household or community garden and even accommodates those households with no gardens but which show interest and potential as beneficiaries. The second category of production is determined at the training stage and is made up of those farmers with potential for expansion into income generating enterprises. These farmers are selected based on input and feedback from mentors and community field workers.

⁹ Creating Jobs with Agrihubs – A discussion paper, 14 May 2014

The third category is comprised of more advanced farmers who are more intensively supported by SDC and who have the potential to enter into special supply agreements with the Agri-Marketing Co-operative. The three categories are illustrated in Figure 4.3 below:

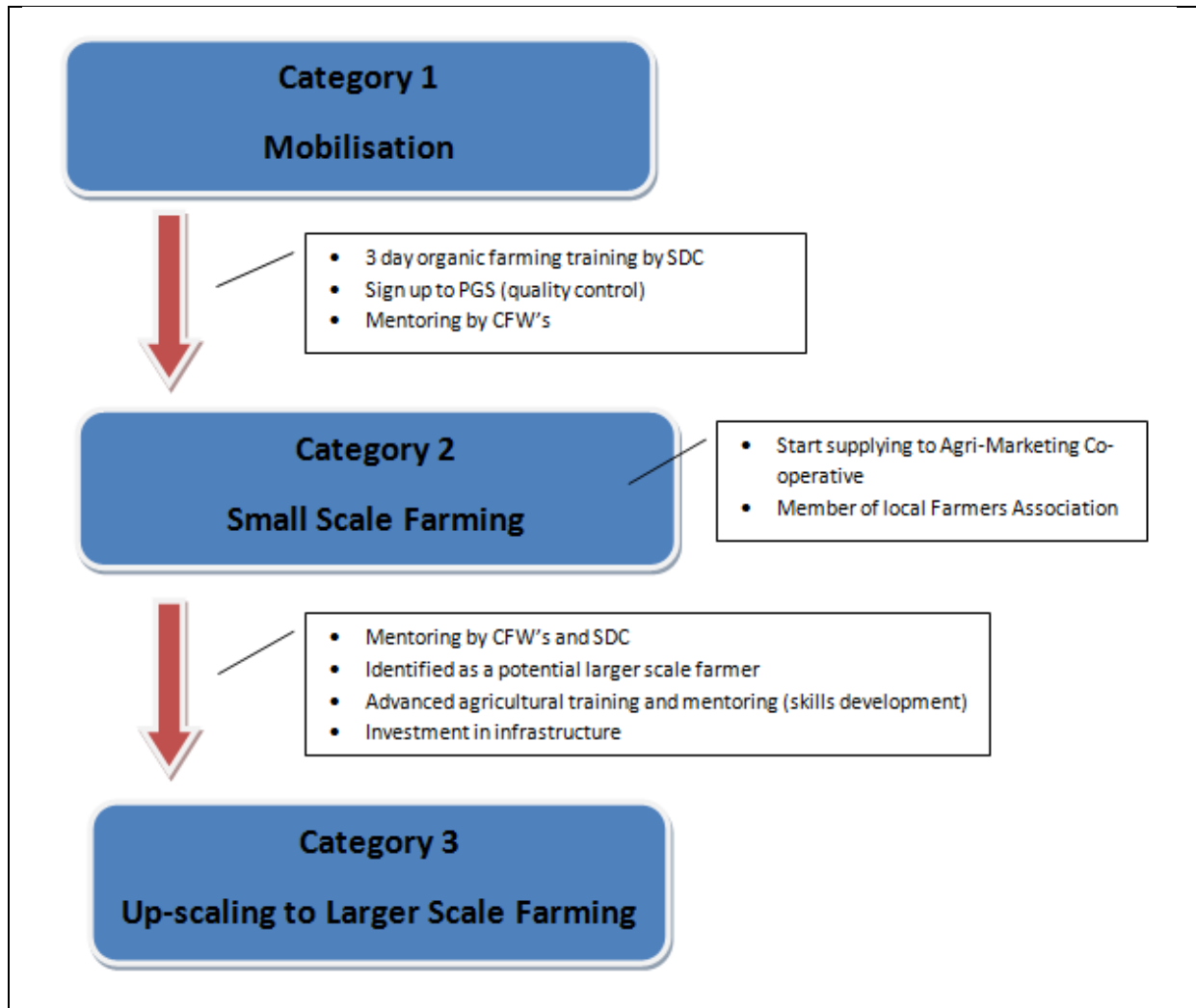


Figure 8: Continuum of Kumandi Farmer Development, Source: SDC

NMCDT FARMER DEVELOPMENT TRAJECTORY

The PFUP, like the KFP, is aimed at supporting development of small-scale farmers through skills transfer and access to inputs and markets. Similar to the vision of the KFP, the PFUP is intended to operate on a developmental continuum whereby food security would be first priority, with the hope that as farmers' production improves to

the point that there is surplus to be sold for income generation, some farmers would eventually graduate from small-scale farmers to emerging commercial farmers. However, this continuum is not as clear with PFUP as it is with KFP. Once again the recent Umbumbulu Agri-hub discussion paper has proposed a crystallization of this continuum, more along similar lines as what SDC has been doing with the KFP.

SOCIAL CAPITAL STOCK IN THE RELATIONSHIPS AMONG STAKEHOLDERS

A comparative look at the SDC's KFP and the NMCDC's PFP reveals that where government has been visibly and closely involved with the project there have been difficulties in setting up systems and structures of governance and participation among small-scale farmers. Government involvement has proved to engender dependency on the part of both the NPO and the farmers. What one witnessed with PFUP was an organizationally loose arrangement, with no formal farmer structures and networks geared towards self-sufficiency and sustainability. The role and impact of government involvement in the two projects was more discernible at the level of government relationship with the NPO as opposed to government relationship with the farmers. In both projects, local government does not have a direct relationship with the farmers, even in the case of KFP, where farmers are fairly well organized, government involvement is still through the SDC.

Government concern with compliance was evident in both projects. In the case of KFP, local government has tried to have SDC register the local farmer associations as legal cooperatives in line the Cooperatives Act and Cooperatives Policy. However, the SDC has resisted this, citing that it is an unnecessary exercise which would cost time and money to execute. It could be argued that it is due to minimal to no dependency on government that it is possible for the SDC to successfully resist some of the prescriptions by government. The SDC's success in setting up farmer structures and networks and getting them to work can be attributed to its autonomy, an attribute which the NMCDC, in the context of the PFUP, does not enjoy. What makes sense to the SDC is to have an Agri Marketing Cooperative which ensures that the famers' produce reaches the market. The positive effect of minimal government involvement is quite evident in KFP. Too much reliance on government

support appear to encumber development of structures and systems of governance in the PFUP. It must be noted that when PFUP was established in 2010 the target was to have a registered farmer cooperative self-sufficient enough to run the AU after only 12 months of support. The program has been going on for almost five years and there is still no registered cooperative and no prospects for self-sufficiency and sustainability. Even meetings that used to be held regularly with farmers have halted. The level of frustration with local government expressed by officials of the NMCDC could well be one of the contributing factors to the PFUP failure to build solid farmer structures and networks and to work on a self-sufficiency and sustainability plan.

CONCLUSION

In this chapter the empirical research findings were presented and discussed. The nature of networks of cooperation that exists among stakeholders of the two programs constituting the case study was highlighted and discussed. Perspectives from various informants regarding the role of local government in the forging of networks of cooperation were presented and analyzed. The following chapter provides conclusions and recommendations in line with the key research questions and hypotheses.

CHAPTER FIVE

SUMMARY, DISCUSSION, CONCLUSIONS AND

RECOMMENDATIONS

INTRODUCTION

This chapter provides a recap of this inquiry. It provides a synopsis of the findings and presents conclusions drawn from the empirical data in response to the hypotheses and research questions. Furthermore, it makes recommendations based on what this inquiry has been able to achieve and where it fell short. Accordingly, this chapter is divided into four sections, namely, summary, conclusion, discussion and recommendations.

SUMMARY

RATIONALE, OBJECTIVES, RESEARCH QUESTIONS AND HYPOTHESIS

This inquiry has attempted to look critically at the social capital formation and deployment in the context of government involvement in the development of rural communities. In interrogating the impact of government intervention on networks of cooperative action in rural communities other role players responsible for exogenous interventions in rural development have been foregrounded. To this end, the role of non-profit organizations operating either independently or in partnership with government has been quite pronounced and NPOs have been shown to play a critical role in formulating models and setting trends for possible emulation by government. This inquiry aimed to assess the impact that government intervention has on social capital of rural communities through a case study of two scenarios where government is involved, albeit to varying degrees. While the primary aim of the study was to assess the effect of government involvement in social capital formation and deployment, it also proved to be an assessment of the potential contribution of social networks and partnerships to economic outcomes as livelihoods in South Africa against a backdrop of an overview of the evolution of

social capital both as a concept and as a resource. Therefore, a combination of theoretical and empirical questions was formulated as a basis of this study. Theoretical questions have mainly been intended as a basis for the exposition of the concept of social capital, its genesis; how it has been explained and defined by various theorists and how it has gained traction across disciplines, from sociology to political science and economics, as a subject of inquiry and as a resource and asset in human development. The context of this inquiry is South Africa, rural South Africa in particular. Consequently, the history and the role of social capital in the form of networks of cooperation and the extent to which government policy has tended to hold up cooperative action as if a panacea to development challenges has been presented and discussed. The findings of this study have provided an account and insight regarding the social capital stock that groups constituting the case study had before and after intervention; the nature of government involvement in their activities and government appreciation of the kind and significance of social capital stock that these farmer groups facilitated or could potentially facilitate and the extent to which this could serve as a means to self-sufficiency and sustainability. This study sought to critically look at the effects that government intervention has on social capital, how the positive effects could be taken advantage of and how the negative effects could be managed. Three key hypotheses formed the basis of this inquiry. The first hypothesis suggested that locally identified and forged social capital combinations can potentially be adversely affected by exogenous developmental interventions. The second hypothesis asserted that interventions based on sufficient understanding of how communities identify, forge and maintain social relations can help avert the erosion of localized social capital stock. The third hypothesis acknowledged that government intervention is indispensable in the development of under-resourced and marginalized communities but such interventions ought to be informed and guided by adequate understanding and appreciation of local social dynamics.

LITERATURE REVIEW AND THEORETICAL FRAMEWORK

In formulating a theoretical framework for this study a broad spectrum of available literature has been considered and explored. The literature review or theoretical framework has focused on three concepts considered central to this inquiry. The first

concept to be defined and explained is social capital. Social capital has been explored through presentation of materials covering the conceptual origins of social capital in the early twentieth century, its trajectory and how various theorists have grappled with its meaning and usefulness over the years. Various definitions and types of social capital have been explored and the key recurring elements in the formulation of its meaning have been identified and expanded upon. The period covered has essentially been from the 1916, when Hanifan (1916) first referred to and defined the concept, to the late twentieth century with the emergence of theorists such as Bourdieu (1986), Coleman (1988), Putnam (1993) and its resurgence in the twentieth century. The notion of social capital as an asset and a resource has been considered and discussed with a particular focus on what could be considered examples of cooperative action and, by definition, social capital, that have manifested in the South African context in the recent past. In most definitions of social capital, trust; norms and networks have tended to be recurring elements. What also stood out is the recurring reference to social capital as a public good as observed by Putnam (1993) in his conceptual analysis. Putnam (1993) saw social capital as a public good, not a private property of any person benefiting from it. However, this study has confirmed that there is no universal definition of social capital except a semblance of consensus on certain key elements, namely, trust; norms and networks. The theoretical framework also touched on and explained three types of social capital, namely, bonding; bridging and linking as defined by theorists such as Woolcock (2000) and the resonance between what is regarded as bonding and bridging social capital and what Granovetter (1973) referred to as weak and strong ties. A historical review of social capital in the South African context has also been presented with a special focus on the stokvel model as a precursor to the cooperative model and both of them being examples of social capital formation and deployment ((Verhoef, 2008; Schoeman, 2006)

The second concept which has been considered in the theoretical framework is developmental local government. Since the focus of the inquiry is on what happens to social capital formation and deployment in instances where government intervenes or gets involved, it has been considered imperative that the notion of developmental local government in South Africa forms the theoretical basis of this

inquiry. In explaining developmental local government, insight has been drawn from some government policy and strategy literature and exposition provided. The Constitution of the Republic of South Africa (1996) and the White Paper on Local Government (1998) are the main legislative documents in which government has unequivocally committed developmental local government agenda. The literature has also highlighted how government has committed simultaneously to developmental local government and to promoting a culture of active citizenry. The ideal of active citizenry has best been captured in the NDP Vision 2030 (2011) which argues that citizens should take more responsibility in improving their lives instead of solely demanding that the state should deliver. It could be argued that this juxtaposition of government intervention and active citizenry is an attempt by government to emphasize the importance of partnerships between the state and civil society in the spirit of shared responsibility and shared ownership.

The third concept considered critical as a theoretical basis to this inquiry is rural development as envisaged and implemented in South Africa. This study has highlighted the degree of priority that government has placed on rural development since the dawn of democracy. A variety of policy and strategy literature has been presented and explained to underscore government commitment to rural development and to emphasize some of the principles and approaches adopted in this regard. This literature included the RDP White Paper (1994), the Rural Development Strategy of the Government of National Unity (GNU) (1995), the ISRDS (2000) and the CRDP (2009) all of which commit government to an enhanced and more pronounced involvement in rural development as a national priority.

In essence, the theoretical framework has been primarily an exploration of the meaning of social capital as defined by various theorists but, furthermore, an introduction to other key concepts considered relevant to the purpose and context of this inquiry. This definitional exploration has culminated in the formulation of the working definition of social capital as “the set of resources, tangible or intangible, that build over time to cooperative constituents through their social relationships, facilitating the attainment of goals” (Hong & Sporleder 2012:3)

METHODOLOGICAL FRAMEWORK

The methodological framework took the form of a qualitative approach using the interpretive paradigm of analysis thus characterizing this as a descriptive and narrative work. The empirical study is based on a purposive sample drawn from a case study of two small scale farmer development programs in the South African province of KwaZulu Natal. The main research instruments used were drawn and adapted from the World Bank's SCAT. Only the organizational profile part of SCAT was used. This guide was modified to exclude non-member questions and to eliminate some of the questions that were considered not relevant to this study. This A total of 14 small scale farmers, 7 from each of the two programs, were interviewed. Further to that, some members of staff from the two NPOs managing these programs; one of the two municipalities sponsoring programs, two farmer group leaders and three informants were interviewed. A total of five observations were conducted including two CFA meetings, one Cooperative Board meeting, one CFW training session and an SDC AGM.

FINDINGS

The findings showed marked differences between the two units of analysis, namely, the PFP and the PFUP, in terms of government involvement; the quality of NPO involvement; the quality and functionality of structures of governance and operation and the degree of farmer capacitation and empowerment for purposes of sustainability. Interviews with farmers revealed appreciation of external support from the NPOs and a degree of reticence in confirming any benefits they derive from government involvement. All farmers expressed the need for more government support and that without external support they will never be able to attain self-sufficiency and independence. The intervention by the SDC and their management of the PFP proved much more concerted and independent of government support compared to the NMCDC role which proved to be a lot more dependent on government and far less diligent about setting up governance and operations structures geared towards facilitating networks of cooperation among farmers and sustainability of their activity beyond exogenous support. All interviewed farmers from the PFUP did not think they will ever be able to operate without assistance such

as what the NMCDC is providing because there are no interventions aimed at empowering and equipping them for that role. Farmers from the KFP, on the other hand, expressed confidence that, with the kind of capacitation they are receiving from the SDC, they will eventually be in a position to stand on their own. Both farmers from the KFP and the PFUP expressed reluctance to work as groups except when converging in some form of a network or group for the purposes of access to support; sponsorship and other benefits. Among the reasons cited for not wanting to form themselves into worker cooperatives was the problem of people getting involved solely for their own selfish gain than for the benefit of the collective; lack of integrity in the handling of shared resources and expecting dividends in an unreasonably short space of time. In the case of the KFP, all farmers were happy with the benefits they derive from network structures such as the CFAs and the Agri-Marketing Cooperatives and the assistance and support they receive from the SDC. Some of the insight betrays a lack of trust among most farmers towards government. A remark by one farmer that “government come up with campaigns but does not support them enough to realize meaningful results” is an apt indication of lack of trust and faith in government. All farmers seemed to have more trust in the NPOs than in government.

An interesting congruence can be gleaned from the responses and comments of the directors of both the SDC and the NMCDC. Government insistence on compliance came up a few times as a barrier to developing effective and viable networks of cooperation among farmers. This was, for an example, evident in the comment by one of the directors that “government does not appreciate that mere compliance with legislation and policy does not equal success, instead it calls for investment of resources such as time and money, an expense which is often not necessary to incur”. Another apt comment was one which referred to the relationship with government as having been “testing over the years, frustrating and often demoralizing”. However, both directors conceded that government is overstretched while advocating for stronger and more meaningful partnerships between government and NPOs. The need for government to take time to understand the dynamics of communities in which it seeks to implement its program was strongly reiterated.

The government official interviewed, while appreciating the importance of partnership between government and the NPOs, admitted to the mistakes he thought government committed in the conceptualization of the program. He pointed out that government assumed that the farmers were going to see the support they were receiving as nothing more than a catalyst to give them a foothold and that they were going to strive to be independent of that support as soon as possible. He admitted that government tends to use one-size-fits-all approach in its implementation of development intervention thus affirming the NPO directors' contention that government does not take time to understand communities. He also made a point that government involvement was a bit half-hearted because of the multiple projects that a government project manager was involved with at the same time; this was also congruent with the NPO directors' observation that government is overstretched. His observation that "government interventions tend to be overprotective and less space is given for the beneficiaries to take risk" pointed to the adverse effect that government intervention may have on people's innovation and initiative.

CONCLUSIONS

This inquiry has attempted to explore and explain social capital, both as a concept and a resource, within the context of government intervention in rural development in South Africa. Using small scale farmer development programme, an attempt has been made to assess the role of government and its impact on the network formation and cooperative action in rural communities. In interrogating the role of government and its impact on the social capital of small farmer scale farmer group initiatives, this study has foregrounded and also interrogated partnerships between government and NPOs.

The key conclusions that can be gleaned from the findings of this inquiry are based on the kinds of networks evident and the stakeholders involved in the two units of analysis. These conclusions must, most importantly, consider the place and role of government in these networks and how this role is perceived by other stakeholders as well as its impact on the programmes. Through a critical inquiry into the relationships characterising the two programmes (the KFP and the PFUP) and soliciting perspectives of different role players some conclusions can be drawn regarding whether government poses as an enabler or barrier to social capital

formation in this context. The KFP and the PFUP presented ideal scenarios wherein which government is involved in networks of cooperation in rural communities and an opportunity to determine whether this involvement diminishes or enhances these networks.

The findings of this inquiry have demonstrated how networks and partnerships are being used to facilitate initiatives aimed at achieving socio-economic outcomes. The study has revealed perceptions of partners and beneficiaries regarding the role and involvement of government as largely negative but not as expression of opposition to government involvement. In fact all stakeholders saw government involvement as indispensable with only the approach requiring some modification. It can therefore be argued and concluded that intervention is a foregone conclusion but there is great need for consensus regarding governmental and non-governmental approaches to development and the nature of partnerships that must be forged among involved parties.

The fact that before they were recruited into the KFP and the PFUP the interviewed farmers were not part of any socio-economic networks and the fact that they have found such programmes beneficial confirms the benefits and usefulness of both cooperative action and exogenous intervention. Putnam (1993:167) asserts that “voluntary cooperation is easier in a community that has inherited a substantial stock of social capital, in the form of norms of reciprocity and networks of civic engagement”. It does not appear like the farmers on both programs had any such stock of social capital to propel them into cooperation independent of external intervention. The significant difference in the extent of government involvement in the two projects has translated into glaring differences in the manner in which the two programmes have managed to galvanize farmers into cooperative structures. More government involvement evident in the PFUP appear to have resulted in NMDCDC seeing itself more as a consultant contracted to government than as a partner in an collective endeavour with government to facilitate cooperative action among small scale farmers and to ensure their development into sustainable initiatives. The NMDCDC did not seem to have been diligent enough in organizing farmers into formal structures and capacitating them for self-sufficiency and sustainability as per the

original objectives of the programme. The SDC, on the other hand, has been quite diligent in mobilizing and assisting farmers to form CFAs and Agri-Marketing Cooperatives which are proving to hold a promise for ultimate self-sufficiency; sustainability and independence. Social capital among farmers and the importance of formal structures which make networking and cooperation possible seem to enjoy more appreciation by the SDC than by the NMCDC. This is borne out by the number of CFAs and the two Agri-Marketing Cooperatives established through SDC facilitation and support in the past four years. However, as observed by Putnam (1993:168), cooperation among both the members of the KFP and the PFUP – albeit to varying degrees - appears to be “founded on a...sense of the mutual value to the participants ... not on a general ethic of the unity of all men or on an organic view of society”. Farmer participation in these networks is largely anchored on the mutual benefits attendant to such participation as opposed to any inherent norms of cooperation. Third party intervention – from the NPOs and government – has been the main driver of cooperative networks among these farmers; it is possible that they would not have come into contact with one another, let alone forged any semblance of cooperation without such intervention.

The differences in the extent of structures of governance and operation between the two programmes cannot be solely attributed to the extent of government involvement. It can never be said that there is direct interference from government which could be causing the PFUP farmers not to be as organised as the farmers on the KFP. The effect of too much government involvement may be more indirect than direct. For an example, what transpired from the interviews with the directors of the two NPOs, the SDC and the NMCDC, was that for the SDC, government involvement is desirable but not indispensable whereas, for the NMCDC, government involvement sounded indispensable. This could be due to the SDC having a stronger and more far-reaching fundraising strategy than the NMCDC which makes it possible for them not to be beholden to or answerable to government.

Judging from government policy and strategy pronouncements in the past decade, there is no doubt that both government intervention and active citizenry are regarded as critical to the development of rural communities in South Africa. There is also a

clear indication that government recognizes the centrality of the role of the non-government sector in this regard. However, what appears to be at the centre of the challenges characterizing partnerships between government and the non-government sector is the tendency for government to be prescriptive and compliance-driven. What this study has confirmed is, firstly, that locally-identified and forged social capital combinations can be adversely affected by exogenous interventions, more so government intervention than the NPO sector intervention. Based on the perspectives of the two NPOs – the SDC and the NMCDC – government would do well to ensure that there is sufficient understanding of how communities identify, forge and maintain social relations – among themselves and with external partners - in order to guard against and avert the erosion or retardation of local social capital stock.

The perspectives and views of the interviewed small scale farmers; the NPOs and the key informants confirmed that government intervention is critical for the upliftment of rural communities but a clear understanding of local social dynamics, depth of vision and a long range view are indispensable to the success of such intervention.

DISCUSSION AND RECOMMENDATIONS

In his description and explanation of social action, Coleman (2006:S96) refers to two intellectual streams – one which “sees the actor as socialized and action as governed by social norms, rules and obligations” [and which]... describes action in social context” [and the other which] “sees the actor as having goals independently arrived at, as acting independently, and as wholly self-interested”. While there were rules and obligations that governed the small scale farmers both on the KFP and the PFUP, there was also an element of self-interest which viewed membership of the program as an avenue to achieving personal goals. In that sense the attitudes and expectations of farmers involved in the two programs straddled Coleman’s (2006) intellectual streams. The fact that these farmers decided to join the programs and both government and the two NPOs are involved with the programs point to the belief in the value of social networks (Putnam, 2000). There is no doubt that the

frequency of interaction among farmers would go some way to produce norms of reciprocity (Putnam, 2000) but the degree of such reciprocity would depend on the mechanisms that are in place to facilitate interaction, networking and sharing. Such mechanisms and platforms of interaction and networking proved to be far more advanced in the KFP than in the PFUP.

The growing demand from members of the community wanting to join the KFP could be attributed to the structures and mechanisms that are in place to ensure and facilitate recruitment, training and support. The same is not evident in the PFUP except for the role of the UA as a support centre and the regular support provided by field mentors. If the degree of household membership in various groups can be used as proxy for household's stock of social capital (Maluccio et al, 1999), it could then be argued that farmers on the PFP have more social capital than those on the PFUP. It could also be argued that the difference in the levels of social capital of the two programs is attributable to the nature and approach of third party intervention wherein KFP receives support from a more autonomous and less government-dependent SDC as opposed to the government-dependent NMCDC.

In the case of the PFUP there is a clear case of "vertical bonds of clientelism", between the NPO (NMCDC) and government and this dilutes the effort to strengthen interaction among farmers through building relevant farmer structures of governance and operation and it undermines "the horizontal group organization and solidarity" of farmers (Putnam, 1993:174). The efforts by the SDC to cultivate and nature horizontal networks among farmers appear to have yielded better social capital combinations than is the case with the PFUP and the NMCDC. Putnam (1993:174) argues that "vertical networks, no matter how dense and no matter how important to its participants, cannot sustain social trust and cooperation", he cites Hobbes' proposition of third party enforcement of horizontal networks. However, Putnam (1993:165) hastens to add that "for third party enforcement to work, the third party must itself be trustworthy" [and he asks], "but what power could ensure that the sovereign would not defect?" The perceptions of farmers from both the KFP and the PFUP towards government represent a classic case whereby government, as a third party, is not trusted by beneficiaries. The remark by one farmer that "government

come up with campaigns but does not support them enough to realize meaningful results” is a case in point.

As mentioned in the previous chapters, the developmental challenges that South Africa faces make it imperative for government to be involved in mobilizing communities into collective action in the fight against poverty, inequality and unemployment. However, to paraphrase Woolcock (1998), this should not be a case of the state dominating the development space at the expense of other useful institutions. This means that partnerships between the state and other sectors, as is the case with the partnership between government and the NPOs involved in the KFP and PFUP, should be promoted and strengthened not discouraged. Whereas Fukuyama, as cited in Woolcock (1998) is of the view that the state could destroy sources of social capital much easier than it can build them, Woolcock argues that Fukuyama’s view implies that social capital can be enhanced by dismantling the state, a view he dismisses as conservative. Woolcock (1998) is of the view that the state-society relations are a positive-sum. Perhaps an appreciation of the local dynamics and local realities, as advocated by Chambers (1983), should be an essential ingredient in such state-society relations. There is no clear cause-effect nexus between too much government involvement and control in the case of the PFUP and the absence of any concrete networks among farmers on this program; unless such failure is attributed to frustrations that the NMCDC experienced in its partnership with government such as delays in resource transfers and lack of role clarification. It may well have been a case of signal confusion referred to by Carili et al (2008), which, they argue, “disrupts and distorts the natural rate of interaction and exchange, thus retarding entrepreneurial discovery of new social capital combinations while eroding existing ones”? If there had been any such confusion in the PFUP it would only have happened at the level of government-NPO relations, since, with the NMCDC serving as an intermediary between the farmers of government, direct interaction between the farmers and government is evidently minimal.

The difference in levels of organization and efficiency between the KFP and the PFUP could also be a result of what Matsoetsa (2011:2) referred to as the

“ineffectiveness of the state's response...through its social and economic policies [which] has resulted in the pursuit of precarious and survivalist livelihood activities at both household and community level”. While member farmers of the PFUP continue to produce and deliver their produce to the AU, the fickle nature of their organization and sense of entrepreneurship poses a threat to their sustainability and survival beyond government intervention and NMCDC support.

It was clear from interviews with the both the NPO and government officials involved with the PFUP that, for social capital to develop, it is important that “local government...share autonomy with citizens, shifting its emphasis from controller, regulator and provider to new roles as catalyst, convener and facilitator (Warner, 2001:189). There is no doubt that government programs could effectively promote social capital if they viewed participants as producers and innovators and only played a facilitative role through participatory structures (Warner (2001) The SDC seemed to be on track in this regard, albeit without much government involvement, whereas the NMCDC seemed to lag behind, with government involvement. On the one hand the PFUP approach seemed to be more about addressing deficits and problems in the community, and this is evident in the amount of attention given to producing and selling as opposed to building structures and institutions to sustain the initiative (Warner, 2001). On the other hand, the KFP exhibited a balance between attention to production and market access and building and nurturing structures of governance; an approach which is helping with building assets and resources for sustainability (Warner, 2001). If, as argued by Warner (2001), broader structural conditions and local social capital configurations contribute to community development or lack thereof, it can then be speculated that the KFP, because of the focus on building structures, stand a better chance of sustainability and success compared to the PFUP. The chances of success, it can be argued, would be even more enhanced if government support was provided in a less bureaucratic and compliance-driven manner, which appeared to be a source of frustration for both the SDC (KFP) and the NMCDC (PFUP). There is resonance with both the KFP and the PFUP in Satgar’s (2007:7) assertion that “the line between enabling support and autonomously developed cooperatives has to be constantly monitored such that, on the one hand, the bureaucracy does not capture these institutions, and on the other

hand, the cooperatives themselves do not become dependent on state support". While these were the founding intentions at the founding of PFUP and the AU, as stipulated in the initial proposal which stated that this was "a pilot project" [intended to become] "a self-sustaining, self-sufficient operation under the management of partner farmers / localised farmer cooperative after the 12-month operational period", what has transpired in four years is continued dependency on government sponsorship and NPO support (Coughlan, 2008:1) Satgar (2007:8) further argues that, "while it is necessary to bring in enabling state support it is not a sufficient condition to ensure genuine, independent and self-sustaining cooperatives take root" [but] the cooperative movement has to be anchored in its own capacity to finance its existence. Both KFP and the PFUP are still far from being anchored in their own capacity to finance themselves but KFP appeared to be more on the path to achieve this than the PFUP.

Despite the shortfalls observed in the set-up and modus operandi of the two programs, and the challenges that both are grappling with, there was universal appreciation of the benefits that members derive from the kind of cooperative action that these programs facilitate – particularly benefits in the form of reduced transaction costs or enhanced income (Philip, 2003:7). Philip (2003:25) aptly points out, "user co-ops" [a cooperative type which both KFP and PFUP are modeled on] "have not caught the imagination in South Africa in quite the same way as worker co-ops" (Philip, 2003:25). However, what the two programs have demonstrated is the potential of user cooperation to achieve more by way of removing barriers to access to markets and reducing transaction costs for small scale and emerging farmers, thus strengthening case for user cooperatives to be given more attention.

What has been apparent from this inquiry is that, in a developing country like South Africa, third party intervention in social capital formation to achieve socio-economic outcome is inevitable. The involvement of both government and the NPOs in organizing and supporting the member farmers of the KFP and the PFUP attests to the need for third party support, albeit with government playing a more meaningful and less bureaucratic role. The kind of partnership that has played out between government and the NPOs in the implementation of these programmes also attests

to the need for partnerships between government and non-government organisation in the implementation of such development interventions, particularly in rural communities. However, the obvious need for third party intervention does not obviate the imperative for beneficiaries of third party support to ultimately be independent of such support and be self-sufficient; this should in fact be the primary goal of such intervention.

What this inquiry has succeeded to do is to demonstrate, to some extent, how government sponsorship can create dependency and retard initiative as revealed by the absence of functioning farmer structures of governance in the PFUP almost five years since inception in comparison with fairly established and functional governance structures of the KFP. The cases of the KFP and the PFUP have also demonstrated how involvement in organized institutional structures can facilitate a common identity and help facilitate better cooperation than would have been the case with poor or non-existent institutional structures.

While the difference in the extent of government involvement on the two programs is being acknowledged, both programmes require a proper clarification of roles among all parties involved – NPO, government and small scale farmers or beneficiaries and a mutual and clear understanding of the vision and the ultimate goals of these programmes are. This would clear understanding of what each party needs to contribute in the achievement of that and attainment of those goals. It must, however, be pointed out that the parties on the KFP appeared relatively clear about what their roles are and the vision and goals of the programme. What was not clear was the effect that the incipient involvement of government is likely to have in the long run. The PFUP on the other hand, exhibited very poor role clarity which translated in the level of frustration with government expressed by both the project manager and director of the NMCDC. Variations between the two programs notwithstanding, they were both clear about the role of government should be in relation to both the support it gives to farmers and the partnerships it forges with the NPOs.

Another aspect which requires clarity is timeframes of the support provided to farmers and the alignment to those timeframes of the support and capacitation given to farmers. This would ensure appreciation of the urgency and significance of skills transfer interventions and enhanced commitment on the part of farmers to be self-sufficient in view of impending exit of both government and the NPOs. The exit strategy needs to be explained and understood by all parties, especially the farmers.

In the case of the KFP, there is an urgent need to consolidate existing farmer governance structures instead continuing to bring more farmers on board and continued setting up of new CFAs while the existing ones are still incipient and fledgling. It is important that interaction among different CFAs and interaction with similar groups outside of the KFP is encouraged. Such interactions will help build bridges between groups and help the progression from bonding and close-knit relationships to more bridging both between different CFAs and between the KFP members and farmers that are not part of the KFP. The opening up of interaction would potentially develop networking skills among farmers, which is a useful business attribute that could ultimately be of benefit to the Agri-Marketing Cooperatives that the CFAs are members of. The PFUP still needs to develop structures of governance. Development and capacitation of these structures is primary to the achievement of farmer self-sufficiency and programme sustainability. Capacitation of farmers for self-sufficiency and independence must be deliberate, targeted and time-bound; exit strategies must be realistic.

There are three elements worth considering for future research. These are the size of the sample; the duration of the inquiry; and the duration and nature of interface between government and beneficiaries. It became clear in the course of this inquiry that a bigger sample drawn from a wider locality would have lent more weight to the conclusions of this study and facilitated more elaborate and substantive answers to the research questions. It must, however, be pointed out that a bigger sample may not have been feasibility for this inquiry because of its much limited perimeters and focussed nature. The same limitations could be cited regarding locality. The element of duration of the inquiry is somewhat linked to methodology. The subject of the inquiry would have been better handled through participant observation which would

have meant more time and more interaction with various aspects of the case study and with various stakeholders and role-players. Due to the presence of the NPOs as intermediaries between government and beneficiaries, the government-beneficiary interface was limited. Therefore recommendations for future research could be summarized as followed:

- It would be useful for future research to draw a larger sample from units of analysis for a broader and more balanced scope of perspectives and views
- Future research would benefit from selecting programmes in which government has been involved for a longer period and in which government has had a more pronounced and larger role in the founding, planning and implementation of the programme. It would also be useful to select a programme where government has more direct interface with the beneficiaries of the programme instead of programmes where government-beneficiary relations are mediated through an intermediary, which is the case with the both the KFP and the PFUP
- Better insight could be obtained through participant observation spanning a significant period of time during the course of the inquiry. This would help expose the researcher to more practical scenarios and consistent interactions from which better inferences could be drawn.

REFERENCES

Books / Chapters in books

- Bourdieu, P. (1983). Forms of capital, in J. C. Richards (ed.). *Handbook of Theory and Research for the Sociology of Education*, New York: Greenwood Press.
- Chambers, R. 1983. *Rural development: putting the last first*. Essex: Pearson
- Coleman, J. S. 1990. *Foundations of social theory*, Cambridge, MA: Harvard University Press.
- Denzin, N.K. and Lincoln, Y.S. (2007) *The discipline and practice of qualitative research*. Accessed June 30, 2013 from http://www.sagepub.com/upmdata/17670_Chapter1.pdf
- Field, J. 2003. *Social capital*. London: Routledge.
- Fukuyama, F. 1999. *Social capital and civil society*. Washington, DC: George Mason University, Institute of Public Policy.
- Jacobs, J. (1961) *The death and life of great American cities*. New York City. Vintage Books
- Mosoetsa, S. 2011. *Eating from one pot: the dynamics of survival in poor South African households*. Johannesburg: Wits University Press
- Putnam, R. D. 1993. *Making democracy work: civic traditions in modern Italy*. Princeton, NJ: Princeton University Press
- Putnam, R.D. (2001). *Bowling alone: The collapse and revival of American community*. New York. Simon and Schuster
- Svendsen, G.T. and Svendsen, G.L.H. (Eds) (2009) *Handbook of social capital: The troika of sociology, political science and economics*. Northampton: Edward Elgar Publishing Limited
- Prasad, S.; Rao, A and Rehani, E. (2001). *Developing hypothesis and research questions*. Available from <http://www.public.asu.edu/~kroel/www500/hypothesis.pdf>. Accessed 30/06/2013
- Rudestam, K.E. (2007) *The method chapter: Describing your research plan*. Available from: http://www.sagepub.com/upm-data/14649_Chapter5.pdf. Accessed 30/05/2013

Lincoln, Y.S. & Guba, E.G. (1985). *Naturalistic Inquiry*. Newbury Park, CA: Sage Publications.

Journal Articles

Akcomak, S. and ter Weel, B. 2007. *How do social capital and government support affect innovation and growth? Evidence from the EU regional support programmes*. Working Paper Series 2007-009. Maastricht: United Nations University.

Bayat, A. (2005) *Defining social capital: A brief overview of the key aspects and debates*. Cape Town: Policy Management, Governance and Poverty Alleviation in the Western Cape

Carilli, A.M., Coyne, C.J. and Leeson, P.T. 2008. Government intervention and the structure of social capital. *Review of Austrian Economy*, 21: 209-218.

Castells, M. (Ed) (2004). *The network society: a cross-cultural perspective*. Northampton: Edward Elgar Publishing Limited

Coleman, J. S. 1988. Social capital in the creation of human capital. *American Journal of Sociology*, 94, Supplement: S95-S120.

Farr, J. (2004) *Social Capital: A Conceptual History*. *Political Theory*, 32 (1): 6-33. Sage Publications Incorporated

Fine, B. 1999. The developmental state is dead - long live social capital? *Development and Change* [Online], 30. Available: <http://home.ku.edu.tr/~dyukseker/fine-social-capital.pdf>. Accessed 13/03/2011.

Fine, B. 2002. *Neither the Washington nor the post-Washington consensus: an introduction*. Available: <http://www.networkideas.org/featart/sep2002/fa04-Washington.pdf>. Accessed 17/03/2011.

Geran, J.M. 2011. *Growth, crisis and resilience: household responses to economic change in rural Southeast Asia: evidence from northern Thailand*. Working Paper no.1. Available from <http://www.aae.wisc.edu/coxhead/projects/lamyai/wp2.pdf>. Accessed 19/09/2011.

Granovetter, M.S. 1973. The strength of weak ties. *American Journal of Sociology*, 78, 6: 1360-1380.

Hanifan, L.J. 1916. The rural school community center. *Annals of the American Academy of Political and Social Science*, 67:130-138.

- Hjollund, L. and Svendsen, G.T. 2000. Social capital: a standard method of measurement. Available from http://www.hha.dk/nat/WPER/00-9_gts.pdf. Accessed 21/09/2011.
- Hong, G and Sporleder, TL (2012). *Social capital in agricultural cooperatives: Application and measurement*. Ohio: The Ohio State University. Available: http://usaskstudies.coop/socialeconomy/files/congress07/hong_sporleder.pdf. Accessed: 30/06/2013
- Irving, M. (2005) *Informal Savings Groups in SA: Investing in Social Capital*. Cape Town: Centre for Social Science Research, University of Cape Town
- Knack, S. & Keefer, P. 1997. Does social capital have an economic payoff? A cross-country investigation. *Quarterly Journal of Economics*, 112, 4: 1251-1288.
- Krishna, A. and Shrader, E. 1999. *Social capital assessment tool*. Available from <http://siteresources.worldbank.org/INTSOCIALCAPITAL/Resources/Social-Capital-Assessment-Tool--SOCAT-/sciwp22.pdf>. Accessed 21/09/2011.
- Lopez, O.C.E. 2003. *Social capital and government in the production of public goods*. Barcelona: Available from <http://digital.csic.es/bitstream/10261/1849/1/58003.pdf>. Accessed 30/03/2012
- Loury, G.C.1978. The optimal exploitation of an unknown reserve. *The Review of Economic Studies*, 45, 3: 621-636.
- Salisbury, R.H. 1969. An exchange theory of interest groups. *Midwest Journal of Political Science*, 13, 1: 1-32.
- Walsham, G. (2006). Doing interpretive research. *European Journal of Information Systems* 15, 320-330
- Warner, M. (2001). Building social capital: the role of local government. *Journal of Socio-Economics* 30 (2001) 187–192
- Woolcock, M. 1998. Social capital and economic development: toward a theoretical synthesis and policy framework. *Theory and Society*, 27, 2: 151-208.
- Woolcock, M. 2001. The place of social capital in understanding social and economic outcomes. *Canadian Journal of Policy Research*.

Serial Publications and Reports

African National Congress (1992). *Ready to govern: ANC policy guidelines for a democratic South Africa*. Accessed on 30 June 2013 from

<http://www.anc.org.za/show.php?id=227>

Australian Bureau of Statistics (2004). *Social capital and social wellbeing: Discussion paper*.

Buthelezi, D.J.; Jacobs, E. and Punt, C. (2009). A profile of the KwaZulu Natal Province: Demographics, Poverty, Income, Inequality and Unemployment from 2000 till 2007. Elsenburg. Provide Project

Coughlan, W. (2008). *Model and operational plan for uMbumbulu pilot agricultural service and marketing sub-node*. Durban: Partner Farmer

Delany, G. (2014). Creating jobs with agri-hubs: a discussion document. Durban: Project Preparation Trust

Dladla, B. and Ngcobo, H. (2002) *The Provincial Report on Education and Training for Agriculture*. Unpublished

McIntosh Xaba and Associates (2007) , *Rural planning and development: Nodal development plan*. Durban: Unpublished

Organisation for Economic Co-operation and Development (OECD) 2011. *OECD Insights*. Available from <http://www.oecd.org/dataoecd/36/6/37966934.pdf> .

Accessed 20/09/2011.

Philip, K. 2003. *Co-operatives in South Africa: Their role in job-creation and poverty reduction*. Available

<http://www.businessleadership.org.za/documents/CooperativesInSA.pdf> Accessed 25/09/2010.

Satgar, V. (2007). *The state of the South African cooperative sector*. Johannesburg:

The Cooperative and Policy Alternative Centre (COPAC). Available from:

<http://www.copac.org.za/files/State%20of%20Coop%20Sector.pdf>. Accessed 24/05/2014

Siyavuna Abalimi Development Centre (2013). *Agri-SCIP social enterprise model*.

Margate: Siyavuna Abalimi Development Center

World Bank, 2011. *Instruments of the social capital assessment tool (SOCAT)*.

Theses

- Gomulia, C. (2006). *State-society networks and social capital: a case of political participation in the Western Cape Province*. Unpublished master's thesis. Cape Town: University of the Western Cape
- Gopaul, M. (2006). The significance of rural areas in KwaZulu Natal for tourism development through community participation with special reference Umgababa, a rural area located in the province of KwaZulu natal. Unpublished master's thesis. Pretoria: University of South Africa
- Schoeman, N.F. (2006). *The cooperative as an appropriate form of enterprise for black economic empowerment*. Unpublished master's thesis. Free State: University of the Free State
- Verhoef, G. (2008). *Social capital in voluntary savings organizations in South Africa in historical perspective*. Johannesburg: University of Johannesburg

Government Publications

- EThekweni Municipality (2013). *Spatial Development Framework Report 2013/2014*. Durban
- Republic of South Africa (2000). *Integrated Sustainable Rural Development Strategy*. Pretoria: Government Printer
- Republic of South Africa (2005). *Cooperatives Act No. 14 of 2005*. Pretoria: Government Printer
- Republic of South Africa (2009). *Comprehensive Rural Development Programme Framework (CRDP)*. Pretoria: Government Printer
- Republic of South Africa (2011). *Diagnostic Overview*. Pretoria. Government Printer
- Republic of South Africa (2011). *The National Development Plan: Vision 2030*. Pretoria: Government Printer
- Republic of South Africa. (1994). *White Paper on Reconstruction and Development Programme*. Pretoria: Government Printer.
- Republic of South Africa. (1995). *The Rural Development Strategy of the Government of National Unity*. Pretoria: Government Printer

Republic of South Africa. (1996). *Constitution of the Republic of South Africa. Act No. 108 of 1996*. Pretoria: Government Printer.

Republic of South Africa. (2004). *1st Co-operatives Development Policy for South Africa 2004-2014*. Pretoria: Government Printer.

Republic of South Africa. 1998. *White Paper on Local Government*. Pretoria: Government Printer

Republic of South African (2000). *The Integrated Sustainable Rural Development Strategy (ISRDS)*. Pretoria: Government Printer

Ugu District Municipality. 2010. *Ugu District Municipality Integrated Development Plan 2007/08 to 2011/12 as revised in the 2010 / 11 IDP Review*.

APPENDICES

APPENDIX – A1 SMALL SCALE FARMERS QUESTIONNAIRE ENGLISH VERSION

A: Group Profile

What is the name of your farm or business?

Does your farm or business have any form of registration status

How many people are part of this farm or business?

What is the name of the place where the farm is located (district, village, neighbourhood)?

What are the names of leaders of this farm or business?

B: Origins and Development

How and why was this farm or business started and who started it?

What was the farm or business producing before it became an organic farm?

How many times has the farm or business changed its structure and purpose?

What kind of assistance has the farm or business received from outside since its inception?

Was there external assistance received before the farm or business became an organic farming project? If any, what was the nature of assistance and from what sources?

Who initiated the support you are receiving now? Did you request it or it was offered to you?

C: Membership

How many people are working on this farm, not as employees but as members or co-owners of the business? How did they get involved? Was it easy to get them involved? What kind of requests or demands do they make on the leadership and organization? Those who are not involved, why are they not involved?

How many members are below the age of 35 years?

How many members are women?

How many members are disabled?

Are members only involved with this farm or are involved in other economic activities?

Why do you think members are involved on this farm or in this business? What do you think are their expectations?

Are there members working on this farm and on other farms as well? If so, give details?

D: Group Capacity

How would you characterize the quality of membership? In terms of

- Education
- Skills
- Diversity
- Interpersonal relationships

How would you characterize the level and quality of participation by members?

- Do members participate as they are expected in the activities of the farm or business?
- Do they participate in decision-making?
- Is there open discussion among members?

Are there members from well-off families working on this farm? If yes, how many and what is their involvement on the farm?

Are there elites who are sympathetic, supportive, interfering, adversarial or negative influences? If yes, provide details.

Is there adequate communication within the group? If yes, explain what makes the communication effective. If No, explain why .

How would you characterise the group culture in terms of:

- Respect for group procedures and rules?
- Attendance at meetings?
- Commitment to the farm?
- Doing their share of work on the farm and in the business?

How would characterize the capacity of the group in terms of:

- Carrying out specialized activities?
- Supervising and contracting consultants?
- Preparing financial reports for banks, donors, and government
- Reacting to changing circumstances?
- Developing specific plans for the future
- Reflecting on and learning from previous experiences?

E: Partnerships and other Networks

How would you characterize the farm's relationship with other farmers and businesses inside the community? When do you feel the need to establish collaboration/links with them?

Do you have links with farmers and businesses outside the community? Which ones? What is the nature of those links?

Do you feel sufficiently informed about other farm and business activities? What are your sources of information?

Have you attempted to work with other farmers and businesses to achieve mutually beneficial goals? What activities have you undertaken in collaboration with other groups?

Could you describe your farm's relationship with government? Have you had experience in trying to get government assistance? What was your experience? Do you find government cooperative and helpful? Explain your answer.

Are there any groups within the community who feel excluded from the group? What groups are these and why do they feel excluded?

Do you feel your farm needs assistance from government or anyone? If yes, explain why

Have you had any input to inform the nature of government and players' programmes and interventions? What have been the results? What kind of challenges have you experienced with government?

Has your farm been invited to participate in any of the various government or other players' development planning processes? What do you think about these planning mechanisms?

What is your assessment of your farm's actual influence on government and other players' decision making at the district level?

APPENDIX – A2

SMALL SCALE FARMERS' QUESTIONNAIRE

ZULU VERSION

Ubudlelwano Bokuthuthukisana Nophilisana Kwabantu

A: Imininingwane Yakho

Ungubani Igama Lakho?

Uneminyaka Emingaki

Lithini igama lengadi yakho?

Ngabe ngadi yakho noma lomsebenzi owenzayo obhalisiwe ngokusemthethweni?
(Nikeza imininingwane)

Bangaki abantu osebenza nabo?

Yini igama lendawo ingadi yakho?

Obani abaholi balomsebenzi owenzayo? (Kungaba abaholi be-Cooperative noma bedlanzana labantu abasebenza ngokubambisana)

B: Ukusungulwa/Umsuka nokuthuthuka kwalomsebenzi

Wawuqala kanjani lomsebenzi? Iziphi izizathu ezenza uzimbandakanye nalomsebenzi?

Ngabe lengadi yayikhona ngaphambi kokuqala kwe-organic farming nangaphambi kosizo leSiyavuna? Uma yayikhona, yayikhiqizani?

Ngabe usushintshe kangaki indlela osebenza ngayo kulengadi? (kungaba yindlela olima ngayo, izinto ozilimayo, njalo njalo). Yiziphi izizathu ezikwenza ushintshe indlela osebenza ngayo?

Inhloboni yosizi osuke waluthola luqhamuka ngaphandle selokhu waqala ukusebenza lomsebenzi? (kuhlangene nosizo oluthola manje ngokohlelo leSiyavuna)

Lukhona usizo obuluthola ngaphambi kokuthi uqale ukulima ngendlela ye-organic farming? Uma lukhona kwakuwusizo olunhloboni?

Ubani owaqhamuka nalolusizo oluthola manje? Walucela noma walunikezwa ngaphandle kokulucela?

C: Ubulunga

Bangaki abantu abasebenza lengadi, abangaqashiwe kodwa abangabanikazi? Baqala kanjani ukuba yingxenye yalomsebenzi? Kwakulula noma kwakunzima ukubenza babe nentshisekelo yokwenza lomsebenzi? Ngabe zikhona izinto abakhala ngazo endleleni enisebenza ngayo? Ucabanga ukuthi yini eyenza lawomalunga omphakathi engeyona ingxenye yaloluhlelo ukuthi angazimbandakanyi nalo?

Mangaki amalunga asebenza lengadi angaphansi kweminyaka engu-35 yobudala?

Mangaki amalunga esifazane eyingxenye yalengadi?

Mangaki amalunga akhubazekile ayingxenye yalengadi?

Ngabe amalunga asebenza lomsebenzi kuphela noma zikhona ezinye izinhlelo zokuzisimamisa abayingxenye yazo? Nika imininingwane.

Ucabanga ukuthi yini eyenza abantu bazimbandakanye nalomsebenzi? Ucabanga ukuthi balindeleni kulokhu abakwenzayo?

Ngabe akhona amalunga asebenza kulengadi aphinde abe yingxenye yezinye izingadi? Nika imininingwane

D: Izinga lolwazi, imfundo namakhono

Ungalichaza kanjani izinga lemfundo, ulwazi namakhono amalunga asebenza lengadi?

- Imfundo
- Amakhono
- Ulwazi olunhlobo
- Amakhono okusebenzisana nokuxhumana namanye amalunga

Ungalichaza kanjani izinga lokuzimisela nelokusebenza kwamalunga?

- Ngabe amalunga azinikela ngendlela elindelekile emsebenzini?
- Ngabe babamba iqhaza ngokwanele ekuthathweni kwezinqumo? Chaza.
- Ngabe kukhona ukuxoxisana okukhululekile nokuvulelekile phakathi kwamalunga? Chaza.

Ngabe akhona amalunga aqhamuka emindenini engantuli kangakho? Uma ekhona, mangaki futhi iliphi iqhaza abanalo kulomsebenzi?

Ngabe bakhona abantu abengcono ngokomnotho nangolwazi abawuxhasayo lomsebenzi noma abawuphazamisayo? Nika imininingwane.

Kukhona ukuxhumana ukwanele phakathi kwamalunga? Yiziphi izinto ezenza ukuxhumana kube impumelelo noma kungabi impumelelo?

Ungayichaza kanjani indlela amalunga aziphethe ngayo?

- Ngabe kukhona ukuhlonipha imithetho nenqubo ngokwanele?
- Ngabe amalunga ayithamela ngendlela elindelekile imihlangano?
- Ngabe amalunga azinikele ngokwanele kulomsebenzi?
- Ngabe amalunga awenza ngokwanele umsebenzi alindeleke ukuthi awenze?

Ungaluchaza kanjani ulwazi lwamalunga kulezinto ezilandelayo:

Ukwenza imisebenzi ekhethekile? Njengokunakekela izitshalo ngendlela, ukuvuna, nokupakisha, njalo njalo

- Ukuqapha ukuthi umsebenzi wenzeka ngendlela, nokubona uma kukhona okungahambi kahle
- Ukubhala imibiko yezimali, nemibiko enhlobonhlobo?
- Ukubhekana nezimo eziguqukayo, njengokwehla noma ukunyuka kokuthengwa komkhiqizo, ukwehla koxhaso, njalo njalo
- Ukuhlela nokuhlanganisa amasu ukuthuthukisa umsebenzi
- Ukuthathisela nokufunda ezintweni abake bazibona noma bazenza phambilini.

E: Enibambisene nabo nezinhlelo eniyingxenywe yazo

Ungabuchaza kanjani ubudlelwano bakho nabanye abalimi bezinye izingadi kanye nabantu nje emphakathini uwonkana? Ngabe zikhona izizathu ezikwenza ubone kubalulekile ukubambisana, ukuxhumana nolusebenzisana nabanye abalimi nabantu nje emphakathini?

Ngabe unako ukuxhumana nabalimi nosomabhizinisi abangaphandle kumphakathi wakho? Ibaphi labo? Yini enixhumanisayo?

Ucabanga ukuthi unolwazi olwanele ngokuthi abanye abalimi nosomabhizinisi benzani nokuthi yini ekuhlanganisa noma ikuhlukanise nabo? Ulutholaphi lolwazi?

Usuke wakuzama ukusebenzisana nabanye abalimi ocabanga ukuthi banezinhliso ezifanayo nezakho? Yini osuke wayenza nabanye abalimi?

Ungabuchaza ubudlelwano bakho nohulumeni njengomlimi? Usuke wazama ukuthola usizo lukahulumeni? Ucabanga ukuthi uhulumeni uwusizo futhi owuxhasile lomsebenzi owenzayo?

Ngabe bakhona abantu ocabanga ukuthi bazibona beshiywe ngaphandle kulomsebenzi oyingxenywe yawo wena? Ngabe ibaphi labobantu? Kungani bezibona beshiywe ngaphandle?

Ucabanga ukuthi uyaludinga usizo oluvela kuhulumeni noma oluvela kuluphi nje uhlelo? Nika izizathu.

Ucabanga ukuthi uyanikwa ithuba lokubamba iqhaza nokuba nemibona ezinhlelweni ezihlose ukuthuthukisa umphakathi zikahulumeni noma ezaziphi ezinye ezinhlelo nezinhlangano? Ngabe zikhona izinselelo osuke wahlangabezana nazo emizamweni yakho yokuthola usizo noma ukusebenzisana nohulumeni? Nika imininingane.

Ngabe usuke wamenywa ukuba ube yingxenye yemihlangano yokuhlela izindlela zentuthuko kahulumeni njalo njalo? Ucabangani ngalezizinhlelo noma ngendlela uhulumeni aphele ngayo izinhlelo zentuthuko?

Ucabangani ngendima engadlalwa yilomsebenzi owenzayo endleleni uhulumeni nabanye abahlela futhi bahambise ngayo intuthuko endaweni oyakhele?

APPENDIX – B

SMALL SCALE FARMER LEADERSHIP QUESTIONNAIRE

2A.4 As the organization developed, what sort of help has it received from outside? Has it received advice and/or funding or other support from the government? What about from NPOs/NGOs? How did you get this support? Who initiated it? How was the support given? What benefits and limitations has the organization derived from this support? List all kinds of support received to date and where it was from.

2C. Institutional Capacity

2C.1 How would you characterize the quality of **leadership** of this organization, in terms of...

...stability?

...number of leaders/availability?

...diversity/heterogeneity of leadership?

...quality and skills of leaders?

...relationship of leaders to staff and to the community?

2C.2 How would you characterize the quality of **participation** in this organization, in terms of...

...attendance at meetings, both internal to the organization and externally with other organizations?

...participation in decision making within the organization? ...dissemination of relevant information prior to the decision?

...informal opportunities to discuss the decision?

...consultation processes with base organizations or with the community?

...broad debate, including opposition positions, and honesty?

...dissemination of the results of the decision making process?

...the number of women, young people, poor people who work in the organization and who occupy positions of responsibility in the organization?

...whether any groups within the community feel excluded from the organization?

What groups are they?

...the level of participation of more prosperous families (elites) in the organization?

...whether elites are sympathetic, supportive, interfering, adversarial, or negative influences?

- The youth is not very keen
- The majority is older women

2C.3 How would you characterize the **organizational culture** of this organization, in terms of...

...the existence and level of knowledge of the procedures and policies?

...whether the procedures and policies are carried out? Whether there are problems with nonattendance at meetings, theft of property or supplies?

...conflict resolution mechanisms, both within the community and within the organization?

...the nature of conflicts between the organization and community members?

2C.4 How would you characterize the **organizational capacity** of this organization, in terms of...

...carrying out specialized activities (e.g., credit, commercialization)?

...supervising and contracting consultants?

...preparing financial reports for banks, donors, and government?

...reacting to changing circumstances (e.g., price fluctuations, change in government)?

...developing specific plans for the future (instead of reacting to opportunities as they present themselves)?

...reflecting on and learning from previous experiences?

Give examples and anecdotes where possible.

2D. Institutional Linkages

2D.1 How would you characterize your organization's relationship with other community organizations? When do you feel the need to establish collaboration/links with them?

2D.2 Do you have links with organizations outside the village/neighborhood? With which ones? What is the nature of those links?

2D.3 Do you feel sufficiently informed about other organizations' programs and activities? What are your sources of information?

2D.4 Have you attempted to organize or work with other organizations to achieve a mutually beneficial goal? (for which activities.) Is this a common strategy among organizations in this village/neighborhood? (Probe as to reasons why or why not.)

Relationship with Government

2D.5 Could you describe your relationship with the government?

Have you had experience in trying to get government assistance?

Which level of government do you find most cooperative (local, district, national)?

Has the government made particular requests of your organization? Explain

2D.6 Is your organization linked to any government program?

Which government program(s) is your organization involved with?

If yes, which ones and why those particular programs?

What sort of role does your organization play in the program?

Are there certain characteristics of these programs that make it easier for your organization to work with the programs?

2D.7 Do you feel sufficiently informed about government programs and activities?

What are your sources of information?

2D.8 Have you attempted to give inputs to the government? What were the circumstances? What have been the results? What kinds of challenges did you have to deal with?

2D.9 Has your organization been invited to participate in any of the various government development planning processes? What do you think about these planning mechanisms?

2D.10 In general, how do you assess your organization's actual influence on government decision making at the district level?

2D. 11 Additional Questions

- How can you quantify government's contribution to your organisation?
- Is it sufficient? If no, what more should government be doing?
- How would you like government to get involved?
- What do you think of government's role in organising communities for sustainable livelihood activities? Is it effective? If not, what can it do differently to be effective?
- How good is the government's understanding of the model on which your activities are based?

- *Most of government programmes failed. Government got involved because of the success they observed*
- Has government embraced this model? Explain.
- Are you doing anything different from what government has done to date? Explain.

APPENDIX - C

COMMUNITY DEVELOPMENT NPO OFFICIALS' QUESTIONNAIRE

1.1 Name of organization

1.2 Type of organization

1.3 How many members does this organisation have?

1.4 Location (district, village, neighborhood)

2A. Origins and Development

2A.1 How was your project created? Who was most responsible for its creation (e.g. government mandate, community decision, suggestion of outside NGO)?

2A.2 Did the project exist before this ? If yes, what kinds of activities has the project involved with?

2A.3 Has the project model changed in structure and purpose since its founding? If yes, in what ways? What is the main focus of this project currently?

2A.4 As the project developed, what sort of help has it received from outside? Has it received advice and/or funding or other support from the government? What about from nongovernment sources? Who initiated the support? How was the support given? What benefits and limitations has the project derived from this support? List all kinds of support received to date and where it was from.

2B. Membership

2B.1 Can you tell us about the people involved in this project? How do they become involved?

2B.2 Why do you think people join or are willing to serve (as officers/leaders/board members) in the project? Is it hard to convince people to continue being active in the project? What kinds of requests/demands do they make on the project managers? How do you deal with these demands/requests?

2B.3 Are active members on this project also members of other projects in the community/region? Do people tend to be members of just one project or join many simultaneously? Can you explain why?

2C. Institutional Capacity

2C.1 How would you characterize the quality of **leadership** of in various structures of the project, in terms of...

...stability?

...number of leaders/availability?

...diversity/heterogeneity of leadership?

...quality and skills of leaders?

...relationship of leaders to staff and to the community?

2C.2 How would you characterize the quality of **participation** in this project, in terms of...

...attendance at meetings, both internal to the organization and externally with other organizations? ...participation in decision making within the organization? This refers to farmers.

...dissemination of relevant information prior to the decision? This refers to farmers.

...informal opportunities to discuss the decision? This refers to farmers.

...consultation processes with base organizations or with the community? This refers to the NPO.

...broad debate, including opposition positions, and honesty? This refers to farmers.

...dissemination of the results of the decision making process? This refers to both the NPO and farmers.

...the number of women, young people, poor people who work in the organization and who occupy positions of responsibility in the organization?

This refers to farmers.

...whether any groups within the community feel excluded from the organization? What groups are they? This refer to farmer membership.

...the level of participation of more prosperous families (elites) in the organization? This refers to farmer membership.

...whether elites are sympathetic, supportive, interfering, adversarial, or negative influences?

2C.3 How would you characterize the **organizational culture** of this organization, in terms of...

...the existence and level of knowledge of the procedures and policies? This refers to farmer associations and farmer cooperatives

...whether the procedures and policies are carried out? Whether there are problems with nonattendance at meetings, theft of property or supplies? This refers to farmers.

...conflict resolution mechanisms, both within the community and within the organization?

...the nature of conflicts between the organization and community members? This refers to farmers.

2C.4 How would you characterize the **organizational capacity** of this organization, in terms of...

...carrying out specialized activities (e.g., credit, commercialization)? This refers to farmers.

...supervising and contracting consultants? This refers to farmers.

...preparing financial reports for banks, donors, and government? This refers to farmers.

...reacting to changing circumstances (e.g., price fluctuations, change in government)? This refers to farmers.

...developing specific plans for the future (instead of reacting to opportunities as they present themselves)? This refers to farmers.

...reflecting on and learning from previous experiences? This refers to farmers.

Give examples and anecdotes where possible.

2D. Institutional Linkages

2D.1 How would you characterize your organization's relationship with other community organizations? When do you feel the need to establish collaboration/links with them? This refers to farmer groups.

2D.2 Do you have links with organizations outside the village/neighborhood? With which ones? What is the nature of those links? This refers to farmer groups.

2D.3 Do you feel sufficiently informed about other organizations' programs and activities? What are your sources of information? This refers to farmer to farmer relations.

2D.4 Have you attempted to organize or work with other organizations to achieve a mutually beneficial goal? (Ask for which activities.) Is this a common strategy among organizations in this village/neighborhood? (Probe as to reasons why or why not.)

Relationship with Government

2D.5 Could you describe your relationship with the government?

Have you had experience in trying to get government assistance?

What was your experience?

Which level of government do you find most cooperative (local, district, national)?

Has the government made particular requests of your organization?

2D.6 Is your organization linked to any government program?

Which government program(s) is your organization involved with?

If yes, which ones and why those particular programs?

What sort of role does your organization play in the program?

Are there certain characteristics of these programs that make it easier for your organization to work with the programs?

2D.7 Do you feel sufficiently informed about government programs and activities?

What are your sources of information?

2D.8 Have you attempted to give inputs to the government? What were the circumstances? What have been the results? What kinds of challenges did you have to deal with?

2D.9 Has your organization been invited to participate in any of the various government development planning processes? What do you think about these planning mechanisms?

2D.10 In general, how do you assess your organization's actual influence on government decision making at the district level?

2D. 11 Additional Questions

- How can you quantify government's contribution to your organisation?
- Is it sufficient? If no, what more should government be doing?
- How would you like government to get involved?

- How do you think about government's role in organising communities for sustainable livelihood activities? Is it effective? If not, what can it do differently to be effective?
- How good is the government's understanding of the model on which your activities are based?
- Has government embraced this model? Explain.
- Are doing anything different from what government has done to date? Explain.

APPENDIX - D

Government Officials' Questionnaire

1. Which department do you belong to?
2. What is your position in the department?
3. What roles and responsibilities does your position entail?
4. How long have you been in this position?
5. What is government's role in the Kumnandi Farmer project?
6. How have you found your experience in this project? Has it been beneficial in terms of government's mandate? Have there been any challenges?
7. How would you say government has been received by all the stakeholders, and particularly the beneficiaries?
8. What do you think government's contribution should be in ensuring sustainability of livelihood activities of rural communities? How should this be carried out?
9. What are the key programmes and projects of government which are aimed at leveraging social networks for socio-economic development of rural communities?

10. Are they based on any policy positions and strategies? If yes, what are those?
11. How would you gauge government's success in supporting rural socio-economic initiatives?
12. To what extent does government leverage existing social networks and other resources for this purpose? Explain.
13. Would you say government has been successful in its support of rural groups engaged in socio-economic activities?
 - What have been key challenges?
 - What have been key successes?
14. How does government ensure that it is sufficiently informed of the dynamics of communities in which it seeks to implement development initiatives?
 - Has this been successful?
15. What would you say are key barriers to the success of rural community based socio-economic initiatives?
16. What would you say are the key enablers?
17. What is the ideal role that you believe government should play?
18. What is your understanding of social capital?
19. Would you say government intervention contribute to social capital formation or interrupts it?
20. How best do you think government could leverage local social capital for socio-economic development of rural communities?

21. How would you describe your relationship as government with the Siyavuna Abalimi Development Centre?

22. What is government's position regarding the agricultural methods being promoted and the business model being used for the Kumanddi Farmer project?

23. What are the key factors you think will lead to sustainability of this initiative?

- Is there a role for government in any of these?

APPENDIX - E

KEY INFORMANT QUESTIONNAIRE

1. What is your position in the organisation?
2. What roles and responsibilities does this position entail?
3. Does your organisation have any policies and strategies geared towards supporting rural self-help groups? Give details.
4. Are there policies and strategies in your organisation that are geared towards promoting the leveraging of social networks for rural sustainable livelihoods? Explain.
5. Are there programmes and projects currently being implemented which promote cooperative economic activities in rural communities?
6. What has been your or your organisation's experience with working with cooperative action rural groups?
7. What would you say are key challenges with the cooperative action model, particularly in marginalised rural communities?
8. What would you say are the key factors to be taken into consideration for rural cooperatives to be sustainable?
9. What should government's role be in this regard?

10. What has been your experience or your organisation's experience of government's intervention in promoting and supporting cooperative livelihood activities in rural communities?
11. Do you think government should be involved in supporting cooperative livelihood initiatives in rural communities? How should it be involved?
12. What would you say are the key barriers to sustainability of cooperative action initiatives in rural communities?
13. Do you think government should be involved with building social capital in rural communities, e.g. facilitating group formation and cooperation in economic activities?
- Would you say government interventions in developing and supporting cooperative economic activities in rural communities enhance or interrupts natural social capital formation?
 - What has been your main challenges with rural social capital development and support to date?
 - What would you say have been your main successes in your bid to develop and support cooperative efforts in rural communities?
14. Do you find that rural communities are able to organise themselves into sustainable cooperative groups geared toward economic outcomes or external support is indispensable for this to be achieved?

