

RURAL NON-FARM ACTIVITIES IN SOUTH AFRICA

by

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LIST OF ABBREVIATIONS

AREDP	Afghanistan Rural Enterprise Development Project
ARTF	Afghanistan Reconstruction Trust Fund
AU	African Union
ADB	African Development Bank
AMS	Asean Member State
ABET	Adult Basic Education and Training
BATAT	Broadening of Access to Agriculture Thrust
CRDP	Comprehensive Rural Development Plan
CAADP	Comprehensive Africa Agricultural Development Programme
CSD	Commission on Sustainable Development
CDs	Community Development Councils
DB	Development Bank
DFID	Development for International Development
DCs	Developing Countries
EIIP	Employment Intensive Infrastructure Programme
FUA	Functional Urban Area
FFC	Financial and Fiscal Commission
FAO	Food and Agriculture Organisation
GDP	Gross Domestic Product
GMOs	Genetically Modified Organisms
GVCs	Global Value Chains
ICT	Information and Communication Technologies
IFAD	International Fund for Agricultural Development
ISI	Import Substituting Industrialisation
IRD	Integrated Rural Development
IDB	Inter-American Development Bank
IPC-IG	International Policy Centre for Inclusive Growth
LAC	Latin American Countries
LDCs	Low Development Countries
LFS	Labour Force Survey
MSEs	Medium and Small-scale Enterprises
MDGs	Millennium Development Goals

MSME	Micro, Small and Medium-sized Enterprises
NRDS	National Rural Development Strategy
NSDP	National Spatial Development Perspective
NEP	New Economic Policy
NEPAD	New Partnership for Africa's Development
NSP	National Solidarity Programme
NDP	National Development Plan
NTP-NRD	National Targeted Programme-New Rural Development
NABDP	National Area-Based Development Programme
OECD	Organisation for Economic Cooperation and Development
OHS	October Household Survey
PASDEP	Plan for Accelerated and Sustained Development to End Poverty
QLFS	Quarterly Labour Force Survey
RAMP	Rebuilding Agricultural Markets Programme
REDKAN	Rural Enterprise Development Projects in Kandahar
RED-Helmand	Rural Enterprise Development Projects in Helmand
RDF	Rural Development Framework
REP	Rural Enterprise Programme
RDI	Research, Development and Innovation
RDP	Reconstruction and Development Programme
SSA	Sub Saharan Africa
SMEs	Small and Micro Enterprises
SDGs	Sustainable Development Goals
SARD	Sustainable Agriculture and Rural Development
SWRDSP	Small-scale Water Resources Development Sector Project
SP	Sirajharij Project
SMMEs	Small, Medium and Micro Enterprises
SLA	Systematic Livelihood Approach
SETA	Sector Education and Training Authority
UN	United Nations
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organisations
UNICEF	United Nations International Children's Emergency Fund
UNFPA	United Nations Fund for Population Activities

UNESCAP	United Nations Economic and Social Commission for Asian and
the Pacific	
UNCTAD	United Nations Conference on Trade and Development
WDR	World Development Report

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ABSTRACT

Rural poverty, underemployment and labour migration have continued to increase in recent years, reinforcing the importance of non-farm economic activities for rural households. Rural non-farm activities are an important source of employment and income for poor and landless women and farmers. In the rural economies of most developing countries, rural non-farm employment accounts for a significant share of total employment. In addition, rural non-farm activities account about 35-50% of rural incomes in developing countries. The main objective of the study is to examine the salient features of the rural non-farm sector in South Africa in terms of geographical locality, employment trends, gender, age and education characteristics therein, as well as recommend appropriate policy options. The study focuses only on one aspect of rural non-farm activities, namely, informal sector activities. The study is descriptive in nature and uses data for the period 2008-2019. Informal activities (non-agricultural) in South Africa grew by twelve per cent over an eleven year period. This demonstrates the need for policy makers to use rural development to provide a platform for the prosperity of the rural non-farm sector. Therefore, the promotion of these types of enterprises will help increase rural employment and incomes.

Key words

Key terms:

Rural non-farm activities; agriculture; rural development policies; informal activities (non-agricultural); poverty; rural areas; South Africa; informal sector; developing countries; gender.

CHAPTER ONE

INTRODUCTION

In sub-Saharan Africa, the agricultural sector contributes to job creation, poverty reduction and hunger reduction. However, it should be emphasised that agriculture alone cannot solve the problem of food insecurity caused by low and declining agricultural productivity. As a result of fragmentation, land division and population pressure, the amount of cultivable land is shrinking day by day. Meanwhile, rural people lack the income to invest in agriculture. In fact, many developing countries are experiencing declines in agricultural production due to adverse climate change accompanied by long-term factors (technological, environmental and institutional), land degradation, failed government policies, agricultural inputs are in short supply, and the extraction of minerals. Despite the efforts of governments, food insecurity continues to increase in various economies, negatively impacting the livelihoods of households. Rural workers, in fact, are more likely to experience job shortages, which can result in employment opportunities that cannot provide a decent standard of living and a sustainable livelihood (Lelimo *et al.*, 2021).

This economic pressure has forced rural households to seek alternative ways to generate income by engaging in activities such as rural non-farm activities (Ebadaila, 2020). Over the past two decades, rural non-farm activities have grown rapidly in terms of employment opportunities and have become increasingly important to livelihood strategies. Growing and robust non-farm activities in rural areas can enhance economic growth since they provide income opportunities other than subsistence farming and enhance security (Musumba *et al.*, 2020). Many rural households may find it more beneficial to engage in non-farm activities to help deal with poverty and unemployment (Nasrin & Wahid, 2015).

Anupama *et al* (2018) found in 2003 that rural non-farm sector provided 40 to 60 per cent share of income and jobs in rural areas of Africa, South Africa and Transitional Economies. Workers of these areas were mainly engaged in agricultural product and other natural product processing activities and are producing with little skills for local market. However, the contribution of this sector in poverty elimination and inequalities

eradication in rural areas is still unclear. Thus, it has been argued there should be proper development of infrastructural facilities for better support to the rural non-farm sector in rural areas. Anupama *et al.*, (2003:15) further denote that in an attempt to examine the size of rural non-farm economy in 1995, evidence of Northern and North-West provinces of South Africa shows that rural households were not diversifying their income sources. A well-developed industrial sector also hindered the development of small-scale rural enterprises.

There is a great deal of neglect of rural communities in developing countries with regard to government services, and as a result, they are among the poorest. Numerous studies have shown a lack of access to capital, markets, and information for smallholder farmers in rural settings, as well as an absence of public infrastructure, such as roads, weather forecasts, and extension services. Furthermore, climate change in South Africa poses a threat to smallholder farmers, resulting in food insecurity and worsening rural poverty, thus negatively affecting all four dimensions of food security: accessibility, utilisation, availability and stability. In the context of rural non-farm activities, smallholder farmers adopt better strategies to adapt to climate change than their larger counterparts. Farm households can avoid financial burdens and credit restrictions by participating in rural non-farm economic activities, which in turn allows them to invest in agricultural inputs that enhance productivity and other adaptation strategies to minimize production risks as a result (Thinda *et al.*, 2020; Ojo *et al.*, 2021).

The main objective of the study is to examine the main features of the rural non-farm sector in South Africa in terms of geographical location, employment trends, gender, age and education as well as to recommend appropriate policy options. However, identifying factors associated with access, income and understanding the nature and extent of various rural non-farm activities is essential (Pramanik *et al.*, 2014). Nagler & Naude. (2017) argue that it would be beneficial to have a comprehensive and up-to-date understanding of the prevalence, patterns, and performance of rural non-farm activities.

1.1. Problem statement

Many small towns and rural areas rely on the agricultural sector for income and employment, although the agricultural sector is not fully developed, as smallholder farmers often lack the equipment and finance to grow. Moreover, due to the expanding use of modern agricultural technologies, farmers are unable to employ large numbers of people, which has forced the rural population to rely on rural non-agricultural activities for income and employment. Borat *et al.*, (2016) found that the South African economy created 2.5 million jobs over 2001-12 period with significant job losses in the primary sector. South Africa's economic growth over the past two decades has been driven primarily by the services sector, financial and business sector, construction and to some extent wholesale and retail trade. Oduniyi (2018) on the other hand, found that a high rate of poverty was observed in rural areas of the North West Province due to the high dependence on agriculture by most people. As a result of climate change, livelihoods faced serious risks of hunger, poverty, low agricultural income and a decline in agricultural income. In addition to the fact that rainfall patterns are changing significantly, biodiversity is also being affected. Consequently, reducing the percentage of people living in extreme poverty is proving difficult.

Studies show that most rural areas have been neglected in recent decades with poor infrastructure and lack of income opportunities in these areas. Most rural residents thus live in absolute poverty and consequently migrate to urban areas for work. Rural people engage in informal sector activities in order to make a living due to the lack of employment opportunities in rural areas. In addition, most rural households are heavily dependent on social grants as their main source of income. Even though rural livelihoods are predominantly agricultural, there is a significant segment of the population that performs non-farming activities as well. Rural non-farm activities refer to the various activities undertaken by rural people that do not include agriculture for employment and income generation. As such, rural non-farm activities have been touted by many researchers as a means to address the poverty and unemployment problems faced by the poor. Given the lack of profiling and deep understanding of rural

non-agricultural activities in South Africa, the study seeks to explore this rural non-agricultural sector and its associated characteristics.

1.2. Objectives of the study

The main objective of the study is to examine the salient features of the rural non-farm sector in South Africa in terms of geographical locality, employment trends; gender, age and education characteristics therein, as well as recommend appropriate policy options.

The sub- objectives of the study are:

- To describe the concept of rural non-farm activities, its emergence and role.
- To analyse rural development and different rural development programmes.
- To examine the nature of rural non-farm activities in South Africa in the pre and post-apartheid periods and its employment trends.
- To recommend policies to support rural non-farm activities.

1.3. Research questions

The study is envisaged to answer the following research questions:

- What does the concept rural non-farm activities entail and what is its role?
- What is rural development and what are the different rural development programmes?
- What is the nature and scope of rural non-farm activities in South Africa?

- What are the policy recommendations and options that may be considered in assisting the rural non-farm sector?

1.4. Research methodology

This study adopted a descriptive research method. The research was conducted using secondary data only. Secondary data refer to data that was previously collected by another person for a different primary purpose. Ajay (2017:4) agree, but elaborate on this by stating that secondary data are collected by a researcher who is not involved in the current research study, but has collected data for another course at another time in the past. The use of existing data is beneficial as studies can be completed more quickly and researchers can respond to relevant policy questions in a timely manner. Secondary data gives researchers the opportunity to explore new ideas, theories, frameworks and models of research design (Johnston, 2014:619).

However, secondary data also has their limitations, and the most recognised disadvantages are that they are a methodological approach that focuses on existing data intended for other purposes that may not answer the researcher's specific questions. In most cases, secondary data may not provide answers related to the specific research questions of the current study, or the data may not focus on an identifiable geographic area of interest, time period, or specific demographic characteristics of the target population. Another shortcoming is that the secondary researcher was not involved in the data collection and may not understand the process that was followed in the data collection (Johnston, 2014).

The study focuses on evaluating the importance of rural non-farm activities on the livelihoods of rural people and how they can supplement rural economies. The study used data from Statistics South Africa (STATSSA). Data on informal activities (non-agricultural) used in the study were sourced from the Labor Market Dynamics Reports from STATSSA. The South African Labor Market Dynamics Reports are an annualised version of the QLFS which started in 2009. It gathers information on people engaged in the labour market, employed, unemployed and not engaged in the labour market on a quarterly basis (STATSSA, 2008). In addition, professional journals and other literature reviews were used as sources of data in this study. Data searches were

conducted primarily on Google, and the websites of the Ministry of Monitoring and Evaluation, the Ministry of Agriculture, Land Reforms and Rural Development, the National Planning Commission and the World Bank were used to generate reports relevant to the study.

1.5. Limitation

The study notes that there were challenges in accessing numerical data on employment and income patterns in rural non-farm activities due to insufficient profiling. Between 1994 and 1999, the October Household Survey (OHS) provided information on the national labour market, including births, deaths, health, crime, education and training initiatives, as well as the services and facilities available to households where they live, etcetera. There is no OHS data repository prior to 1994-1999, and OHS has never been adjusted to be comparable to the Labour Force Survey (LFS) or QLFS (STATSSA, 2008).

Although, the Labour Market Dynamics Reports in South Africa cover data on informal activities (non-agricultural), it may be difficult to have in-depth understanding of rural non-farm activities in terms of the types of activities undertaken, the income patterns and how the behavioral characteristics influence participation. Consequently, secondary data also pose a challenge by not enabling the researcher to conduct an in-depth study of the topic at hand; as such, it was difficult to understand why rural people considered engaging in rural non-farm activities.

1.6. Expected outcomes and significance

Due to the unemployment and poverty engulfing rural areas in most Developing Countries (DCs), it is imperative that alternative sources of employment in these areas are prioritised to aid their development. Most rural areas depend on government for services and remittances which are often minuscule for survival, to access sophisticated services and to bridge the income gap. It is in this context that rural non-farm activities can present many opportunities for the poor to fend for themselves and have an access to essential services.

1.7. Chapter layout

The study has been structured into five chapters:

- Chapter one describes the background and context of the study, including a problem statement. The purpose of the study, including the objectives and research questions, are also presented in this chapter. This chapter further incorporates the research methodology, research process, limitations, as well as expected results and implications.
- Chapter two includes a review of the literature on the rural non-farm sector, thus highlighting the different definitions of the sector. This chapter describes in more detail the transition to the rural non-farm sector due to the unreliability of agriculture. The role of the rural non-farm sector in the livelihoods of the poor is also discussed. The chapter further presents the political context that led to the emergence of the rural non-farm sector in various countries, including South Africa. The importance and welfare outcomes of the rural non-farm sector in Africa are also discussed, with a focus on the importance and welfare outcomes of the rural non-farm sector in other parts of the world. The chapter then discusses policy issues and their implications.
- Chapter three covers a literature review of rural development beginning by highlighting the definitions of rural development. This is followed by a discussion of the concept of rural development and an overview of rural development programmes from different countries. The chapter further covers the contributions of the rural population and lastly outlines policy implications.
- Chapter four is the analysis of informal activities (non-agricultural) per province and for South Africa as a whole. The chapter also, discusses rural poverty in South Africa. This is followed by the discussion of rural non-farm activities in the pre-1994 and the post-apartheid era. The chapter then provides an analysis of data from the

number of people employed in informal activities (non-agricultural) for the period 2008-2019.

- Chapter five provides the summary of the key findings on rural non-farm activities and informal activities (non-agricultural) and presents key recommendations for policy considerations.

CHAPTER TWO

The rural non-farm sector

2.1 Introduction

This chapter reviews the current and existing theoretical literature focusing on the rural non-farm sector in order to develop arguments for its contribution to job creation, incomes and well-being satisfaction. The formation of the rural non-farm economy stems from the process of economic transformation. The process of economic transformation is mostly self-sufficient, with farmers producing domestic and rural non-farm products and services, but at different rates (Haggblade *et al.*, 2002: 4).

Based on existing literature, both push and pull factors such as shocks, excess household labour, and seasonality as a result of a lack of social protection and insurance schemes have been found to drive rural households to participate in non-farm enterprises as a response to these factors (Nagler & Naude, 2017; World Bank, 2007; Bleahu & Janowski, 2002; Odoh & Nwibo, 2017). Therefore, it is mainly the poor and those with limited education, as well as households headed by women and those with disabilities or chronic health conditions who become engaged in rural non-farm activities. However, in developing countries and other developed countries, there are minimal studies and lack of data on the rural non-farm sector, particularly those studies and data that critically analyse its contribution (UNCTAD, 2015:85).

The chapter begins with Section 2.2, which entails definitions of some of the concepts within the boundaries of the rural non-farm sector. Section 2.3 discusses the transition into the rural non-farm sector while Section 2.4 highlights its role in rural households and Section 2.5 covers policy background leading to its emergence. Section 2.6 depicts the significance of the rural non-farm sector in Africa in terms of employment and income contributions while investigating what determines participation in the sector. Section 2.7 evaluates how the rural non-farm sector contributes to the welfare outcomes in Africa. Section 2.8 focuses on how the rural non-farm sector is significant in the rest of the world whereas Section 2.9 evaluates how the sector contributes to

the welfare and Section 2.10 reflects on policy issues and implications. Section 2.11 concludes the chapter.

2.2 Definitions of key concepts

2.2.1 Rural Area

Traditionally, rural areas consist of tribal areas, commercial farms, and informal settlements; however, given the important functional links between small towns and nearby rural farms, the term rural encompasses both rural households as well as small settlements and towns closely associated with agricultural areas surrounding the towns. Conversely, urban areas are formal cities characterised by high population density, high economic activity, and high infrastructure standards (Helen Suzman Foundation, 2018; World Bank, 2007).

2.2.2 Rural Non-farm Sector

The rural non-farm sector can be defined in a variety of ways, including value chain activities such as agricultural processing, transport, distribution, marketing, retail, tourism, manufacturing, construction, mining and other self-employment activities, and trading of agricultural products (World Bank, 2017; Ratšo, 2016; Odoh & Nwibo, 2017; Kazungu & Guuroh, 2014; Davis, 2006; Ranjan, 2006; Jha, 2011, Zereyesus *et al.*, 2017, Kassim, 2011).

2.2.3 Agricultural sector

Agriculture is the science, art, practice or occupation concerned with the active production of useful plants, fungi or animals for food, fibre, fuel or other, with the primary purpose to sustain life, and in varying degrees the preparation and marketing of the resulting products (Department of Agriculture, Forestry & Fisheries, 2016:8). Agriculture consists of crops, livestock, agroforestry, and aquaculture. It does not include forestry and commercial capture fisheries (World Bank, 2008:2).

2.3 Transition into the rural non-farm sector

Though many small towns and rural areas in developing countries rely heavily on it for income and employment opportunities, the agricultural sector alone cannot be the engine for growth given the challenges it faces in terms of the lacklustre equipment, poor technological transition, and finance, amongst others. In India it was found that due to their reliance on farm employment and income to a much greater extent than city dwellers, villagers are less capable of securing regular employment in cities (Wandschneider, 2004:10). Similarly, in Pakistan agricultural productivity was deemed insufficient for the economy despite its resilient performance over the past decades and intensive efforts to manage land, soil, water, and energy more sustainably (Speilman, *et al.*, 2017:2-3).

Poor rural farmers are also affected by these problems, such as those in South Africa's Limpopo Province, who have been unable to access productive resources over the past two decades due to the prohibitive cost of inputs such as herbicides and fertilizers, market accessibility and transportation, which are influenced by income-generating activities off the farm or in rural areas (Mpandeli & Maponya, 2014:135). However, there is often a lack of sustained economic growth and job creation opportunities in South Africa sufficient to reduce poverty (Lewis, 2001). In order to cope with fluctuating incomes, rural households seek alternative income generation methods, such as rural non-farm activities (Nasrin & Wahid, 2015:1). Accordingly, to achieve sustained economic growth, alternate mechanisms must be employed to generate employment and incomes.

The following section discusses structural transformation in the rural non-farm sector to gauge its significance in terms of contributing to income diversification and employment creation to understand its dynamism.

2.3.1 Structural transformation of the rural non-farm sector

Economic transformation in this context refers to the transition from self-sufficiency by way of subsistence farming into rural non-farm goods including new technologies and modern farm inputs, increase in market access leading to increase in agricultural surpluses and ultimately increase in trade. This process enables families to explore, market their skills, resources and engage in activities to take advantage of opportunities in the rural non-farm sector, as full-time or part-time independent business ventures, enabling them to grow. Consequently, this leads to greater development of trade between households, small trading centres and rural towns. This creates links with nearby cities in terms of higher levels of infrastructure development, which in turn can help reduce production costs and facilitate communication and markets creating demand for food, consumer goods and labour as well as new adjacent agricultural and non-agricultural market opportunities. Thus, as rural non-farm enterprises become increasingly fragmented, rural towns can contribute to the development of surrounding areas simply by developing manufacturing and service activities that meet urban and export needs as well as rural needs (Haggblade *et al.*, 2002).

Haggblade *et al.*, (2002) further asserts that this will reduce self-employment and increase full-time wage employment. Furthermore, agriculture will no longer dominate the rural economy because structural transformations augment wages and provide more connections with urban centres, displacing many labour-intensive rural manufacturing operations. The development of mechanisms for boosting the livelihoods of rural households requires structural transformations that are imperative for the growth and development of countries with relatively high living standards. Over the past few decades, structural transformation has captured the attention of development economists and policy makers for its potential to improve the quality of life of rural residents. Agriculture is an important activity in Africa due to its high poverty rates; therefore, transformation in the structure of economic activity is essential. Rural non-farm supply has become a feature of structural transformation and development (Sackey, 2018; UNCTAD, 2015).

Studies in Asia also recognise the benefits of structural transformation. Dorosh *et al.*, (2018:5) found that while agriculture's share of the GDP declined, rural Bangladesh achieved sustained economic growth and sustained poverty reduction as a result of structural transformation involving manufacturing, services, wholesale and retail trade, transportation, and communications. The result was an increase in rural non-farm employment, culminating in the growth of the rural non-farm sector compared to the agricultural sector. Farm employment will decline while rural non-farm employment will increase, leading to the industrialisation of rural non-farm activities. Since agriculture has become increasingly commercialised, specialised non-farm firms are expected to emerge to provide these support services, resulting in increased employment. (UNCTAD, 2015:78).

Huang & Shi (2021) similarly observed positive trends in the provincial structural transformation in the past four decades in China where the rate of rural labour in off-farm employment increased from 9.3 per cent in 1978 to 74.9 per cent in 2015. The process of structural transformation allowed rural labourers in eastern coastal provinces to have better access to non-farm employment with higher wages. Furthermore, structural transformation and rural transformation can facilitate poverty reduction in rural areas. This was the case in Indonesia where the share of agriculture derived income decreased sharply from 57 per cent to 31 per cent while the share of non-farm income increased to 69 per cent in the 2010-2018 period. Consequently, in 2010-2018 rural poverty declined significantly compared to urban poverty rate from 12.7 per cent to 8.2 per cent (Sudaryanto *et al.*, 2021).

As the rural non-farm sector grows, rural - urban income disparities widen due to the preference given to urban areas causing rural households to remain poor and if such constraints are insufficiently addressed it may also perpetuate gender disparities (Cliché, 2011; World Bank, 2008). Nonetheless, structural transformation will benefit poor rural households in terms of poverty relief, income variety and employment creation, but this requires policy designs that are holistic to address both the economic and social challenges found among poor rural households and women in particular (UNCTAD, 2015; FAO, 2017). This is recognised in India despite agriculture and allied sectors employing 64 per cent of the India's total rural population in the year 2020. Over-dependence on agriculture meant declining per capita rural income which has

gradually initiated a shift towards the non-farm sector. This transition from agriculture to non-farm sectors is considered an important source of economic growth (Gupta & Nair, 2020). In Sub-Saharan Africa a significant proportion of the rural and urban working-age population participate in off-farm employment, with the national level ranging from 34 per cent in Ethiopia to 58 per cent in Malawi and a cross-country weighted participation rate of 44 per cent. On the other hand, about 42 per cent of rural households in Ethiopia, Malawi, Niger, Nigeria, Tanzania and Uganda over the period 2005 to 2013, on average, ran a non-farm business (Sackey, 2018).

Since structural transformation has been viewed as the key process that redresses the poverty challenges experienced in many developing countries, the following section explores the role of rural non-farm activities in rural households.

2.4 The role of rural non-farm activities in rural households

Existing literature studies have already elucidated the various reasons propelling rural households to operate rural non-farm enterprises to avert poverty and low earnings derived mainly from the farming sector including shocks, surplus household labour, and seasonality (Nagler & Naude, 2017; World Bank, 2007; Bleahu & Janowski, 2002; Odoh & Nwibo, 2017). Thus, the rural non-farm activities provide important earnings for the poor to supplement their agricultural earnings and they are also important for families without agricultural land (Madaki & Adefila, 2014; UNCTAD, 2015). Overall, the non-farm sector plays an important role in promoting economic growth and poverty reduction, and in the overall rural employment and total rural income (Nasrin & Wahid, 2015; Ratšo, 2016; Kazungu & Guuroh, 2014; Ranjan, 2006). This is mainly beneficial to women and the poor without resources and with little access to services (Ranjan, 2006; Onchan, 2004).

However, rural non-farm activities accounted for 35% of the rural labour force and 51% of income in Peru in 1997, undermining the idea that they were complementary activities, since in 2001, they also contributed to almost 35% of rural income in Africa (Escobal, 2001; World Bank 2007). Escobal (2001) and Nagler and Naude (2014) found that this does not necessarily improve the livelihoods of households considering several policy constraints in rural Peru and Africa, respectively. This may be because

rural non-farm activities involve unimportant activities confined to the local market that are unsustainable because they are mainly operated by the poor with limited resources and with little prospects for expansion. Thus, poverty still remains in rural areas due to little room for growth (Kazungu & Guuroh, 2014; Nagler & Naude, 2014).

From this perspective, studies in Asia as in India have begun to reflect on the importance of this sector, advocating its development to absorb the growing rural labour force, reduce rural exodus and contribute to the growth of national income and to ensure an equitable distribution of income (Ranjan, 2006:3). Moreover, as landholding declined drastically between 1960 and 2011, people considered rural non-farm activities because nearly half of the population in Bangladesh are functionally landless (Pramanik *et al.*, 2014:2). As such, these rural non-farm activities will depend on the supportive role of different layers of government and the evaluation of strategic policies in order to grow (Jha, 2011:3).

This is because as several studies point out, very little is known about these activities, hampering their start-up and causing them to collapse (Nagler & Naude, 2014; UNCTAD, 2015; Escobal, 2001). Understanding behavioural patterns will aid in improved familiarisation with rural societies and the complex interrelationships between different factors, including social, cultural and economic dimensions (Davis, 2006:183). This will assist in highlighting the importance of rural economies as important to rural households for reducing poverty and food insecurity, which require attention from different spheres (Zereyeus *et al.*, 2017:114). To reduce the dependence of developing countries like India on agriculture, it is important to expand the network of rural non-farm activities and facilitate the transfer of labour from agriculture to other areas (Ranjan, 2006:3)

Against the above background of the transition and the role of the rural non-farm sector in bolstering the livelihoods, policies of the rural non-farm sector are examined to avert failures.

2.5 Policy background leading to emergence of the rural non-farm sector

Policy makers strongly believe that rural non-farm growth can reduce poverty for many rural poor, but this requires a careful examination of the rural non-farm sector, as its diversity means that policies must be tailored to the nature and dynamics of each activity. To accelerate the growth of rural production and productivity, strategic policies must be developed to invest in agriculture, rural education, communications, transport and electrification. The development of rural non-farm enterprises and the use of short-term commuting and migration strategies will increase the rural non-farm incomes and also provide the basis for rural investments (Haggblade *et al.*, 2009:4).

Haggblade *et al.*, (2009), however, notes that the poor are always constrained in successfully operating rural non-farm activities as it is the wealthy who have the leverage to successfully grow them and engage in highly profitable rural non-farm activities leaving the poor to engage in petty activities. Strategic policies are needed to remove the economic and social barriers that limit the poor's access to remunerative rural non-farm occupations and restrict them to conducting menial rural non-farm activities. For the poor to have access to a wider range of opportunities there must be efficient transport and communication systems linking rural households to regional and urban labour markets.

The growth of the rural non-farm sector has emerged as an important mechanism for strengthening the rural economy in terms of employment, income and well-being satisfaction are highlighted in the following subsections, which examine strategic policies adopted by countries to support the growth of rural utilisation of the non-farm sector.

2.5.1 Ethiopia

Several studies reveal that strategic policy designs are effective in revolutionising constrained economies. During the 1990s, the Ethiopian government enacted macroeconomic policy and political changes, which saw its economy performing well between the years 1994-2004, thus creating incentives and opportunities for households (Barrett & Holden, 2012:1635). Nonetheless, Ethiopia remains dependent upon agriculture which is exposed to several challenges, with 83.8 per cent of households experiencing food insecurities according to the 2007 population census.

To address such challenges, the Ethiopian government during the year 2005 designed various interventions such as irrigation schemes, food security packages as part of the Plan for Accelerated and Sustained Development to End Poverty (PASDEP) aimed at promoting rural non-farm activities to improve rural livelihoods (Zerai & Gebreegziabher, 2011: 1).

PASDEP encompasses the following aspects:

- implementation
- growth
- economic development and population growth
- empowering Ethiopian women
- infrastructure development
- Human resource development; managing risk and volatility
- employment.

In 2007, an empirical research study conducted with a sample of 151 respondents in rural Ethiopia showed that the livelihood of 81 percent respondents had improved and only 19 per cent reporting that they did not see any improvement. Hence, it is evident that rural non-farm employment improves households' food security status enabling them to access basic needs (Zerai & Gebreegziabher, 2011:10). However, rural non-farm employment opportunities were constrained because these activities are mostly run by wealthy farmers. As a result, about 10% of Ethiopian citizens in the country suffered from chronic food insecurity, rising to over 15% in years of prolonged drought, calling for rural development policies to strengthen the rural non-farm sector to ameliorate food insecurity (Gebreegziabher *et al.*, 2018:15).

2.5.2 Ghana

During the period in which rural non-local employment in Ghana increased from 26.5% in 2006 to 30.1% in 2013, the government, in partnership with IFAD and the African Development Bank, implemented the Rural Enterprise Development Programme (REP) in 1995 as a pilot project. (Does this make sense in the context of the above

dates?) The REP has expanded from 15 rural areas to 161 rural areas, aiming to improve livelihoods and incomes in rural areas. Overall, the REP delivered transformative results (Sackey, 2018:64).

During the period 2006 to 2013 rural non-local employment in Ghana increased from 26.5% to 30.1%, after the government, in partnership with IFAD and the African Development Bank, implemented the Rural Enterprise Development Programme (REP) in 1995 as a pilot project. The REP has expanded from 15 rural areas to 161 rural areas, aiming to improve livelihoods and incomes in rural areas. Overall, the REP delivered transformative results (Sackey, 2018:64).

2.5.3 Latin American Countries

In Latin American Countries (LAC), access to better paying rural non-farm employment is still limited, as households remain largely involved in subsistence agriculture. However, in the 1990s, rural non-farm income accounted for approximately 40% of rural income. Due to multiple challenges, the development of the rural non-farm sector was unable to improve from the first phase of low productivity which has led to the development of certain policy positions where, in the few areas where this development was produced, the promotion of tourism and investment took place. With the development of rural infrastructure and intermediate centers, a once dormant rural area rapidly became an active rural non-farm economy in the 1990s. Agricultural development and commercialisation and agro-industrial economy also produced various engines of growth for rural non-farm employment (Reardon & Berdegue, 2001).

Honduras is also one of the few countries in Latin America where more than half of the population is engaged in agriculture, although agricultural productivity is well below the Central American average. Production has stagnated over the past few years as programmes such as credit and technical assistance services had only reached a small fraction of the rural population. It is no surprise that agriculture represents only a small share of farm household income, as rural livelihood strategies increasingly rely on income from off-farm employment and self-employment to generate income. As a result, state-led poverty reduction programmes emphasise social safety nets and

public works to alleviate malnutrition, while approaches promoted by nongovernmental organisations (NGOs) contain few external inputs while also aiming to increase yields. However, most statistics do not take into account non-farm rural wage employment and self-employment, which are increasingly common among rural farm households (Ruben & van den Berg, 2001).

Ruben & van den Berg (2001:559) further note that attention is often focused on farm incomes, as the land reform programmes of the 1970s facilitated the creation of agricultural cooperatives. Access to land however, remains inadequate and severe underdevelopment persists. Farmers often have difficulty accessing formal financial institutions due to collateral constraints, a situation often exacerbated by the poor development of rural roads, leading to transaction costs that make commercial farming less attractive. Therefore, the options available to increase the efficiency of input use in agricultural production are limited. Nevertheless, reliance on the maintenance of agricultural incomes to support consumer spending persists.

Thus, rural non-farm employment can serve to reduce reliance on farming and sway attention toward improving production and marketing efficiency of rural non-farm activities. An empirical analysis conducted between the years 1993-94 reveals that only 15 percent (of?) was recorded from rural non-farm activities. In southern Honduras, a food surplus had turned into a deficit due to rising prices. Therefore, a system of local savings and credit unions, including short-term commercial loans, was established between 1993 and 1994 to rectify this situation. During this period, international agencies financed and provided training for SMEs in rural and non-farm areas, though these facilities were limited to (peri) urban areas. Nonetheless, the rural non-farm sector appears to be important for most peasants (Ruben & van den Berg, 2001).

A more liberalised agricultural sector encourages off-farm rural diversification, while lower levels of protection discourage it. The liberalisation and globalisation of agricultural markets exposes other rural enterprises to new threats as they require new ways of doing business, potentially excluding underfunded rural enterprises that often support the rural poor. Following the election of a majority government in 1994 and the lifting of economic sanctions that previously prevented such investments, South

African supermarket chains expanded aggressively into northern sub-Saharan Africa. Similarly, in Latin America, there are signs that small wholesalers and rural traders are at risk of being replaced by larger, more specialised wholesalers (Haggblade *et al.*, 2010:1435-1437).

Similar results were found in Kenya, India and China; however, some rural non-farm activities have always been protected from external competition which has led to a boom in rural non-farm activities, such as small industries which constitute a key link between the rural poor and these growth processes. A key factor stimulating rural non-farm economic growth is the development of important regional trade products such as agriculture, tourism and mining, or the linkages between rural areas and external economic drivers, providing opportunities for the expansion of rural markets and employment opportunities (Haggblade *et al.*, 2010).

2.5.4 China

Due to the heavy taxes imposed on agriculture by the former Chinese government in the era of planned economy, the Chinese labour market is fragmented. The divide between urban and rural areas is particularly evident because of rural collectivisation and civil registration, by which farmers were prohibited from leaving their land even though labour productivity was low in rural areas. Most social services in urban areas were restricted by the civil registration system, especially for children in rural hukou. After the collapse of the People's Communes system and the implementation of economic reforms in the late 1970s, China experienced significant changes, restoring farmers' freedom to choose occupations and production methods. Rural households were able to maximise their expected returns by combining agricultural activities, rural non-farm activities, migration etcetera, through the house responsibility system (Zhu & Luo, 2006: 3-5).

The agricultural reforms of the 1980s dramatically increased food availability, gradually eliminating rationing and allowing access to free market food in urban areas. In the 1990s, migrant workers without urban citizenship (hukou) were able to obtain housing, medical services and education for their children. As the non-state economy grows, the demand for low-wage informal workers increases and there is a massive shift of

agricultural labour from rural to urban areas. Although the fragmentation of rural and urban labour markets has diminished as a result of economic reforms, there has been a substantial loss of economic wealth due to the misallocation of labour resources (Zhu & Luo, 2006).

Zhu & Luo (2006) point out that the excess supply of labour has contributed to low agricultural productivity in China, which has led to rural-urban migration to reduce the income gap between the traditional rural agriculture sector and the urban formal industrial sector. However, in rural areas, a large surplus of labour cannot be absorbed by the urban sector due to the lack of sufficient infrastructure to provide adequate public services to migrant workers without reducing the availability of these services for migrant workers. At the same time, city dwellers do not want to share their relatively high standard of living with rural people. Despite this, there are unemployment problems in urban areas, mainly due to the reform of public enterprises.

Zhu & Luo (2006) proffer that the rapid migration from rural to urban areas can lead to serious socio-economic problems, thus making the rural non-farm sector an integral part of the Chinese economy. Historically, rural household incomes have grown rapidly, but since 1978 primary sector incomes have declined relative to secondary and tertiary sector incomes. At the beginning of 2002, rural non-farm incomes accounted for about half of rural household incomes, leading to inequalities due to differences in skills, knowledge and capital goods. Poor households account for a large share of rural non-local income because households facing greater agricultural constraints are more likely than wealthier households to engage in rural non-farm activities and earn more income, thus contributing to a more equitable distribution of total income. Due to financial and resource constraints, poor households often engage in menial non-agricultural activities that do not generate high incomes.

2.5.5 Kyrgyz Republic

Although the economic reforms instituted in 1978 brought much improvement to the economy of China, such monuments are dependent upon the nature and dynamic of each region in the country. After the disintegration of the Soviet Union in 1991, industrial and agricultural production in Tajikistan, Uzbekistan and Kyrgyzstan slowed markedly. More than half of the population still lives in rural areas, where poverty and unemployment are widespread. Nevertheless, Kyrgyzstan has implemented several economic reforms since 1993, and the country began to recover after 1996, when it undertook major reforms in the agricultural sector, making the country an advanced reformer according to the policy index agriculture of the ECA. Despite this, the percentage of GDP attributed to industrial production decreased from 39 percent in 1992 to 19.6 per cent in 2007, while the share of services, on the other hand, increased considerably from 23.3 per cent in 1992 to 48.4 per cent in 2006, and agriculture remained unchanged between 1995 and 2001 at 30 per cent (Atamanov & van den Berg, 2010:7).

Despite the fact that in post-Soviet Central Asia empirical evidence on the nature and drivers of the rural non-farm economy is lacking, there is evidence that the slowdown in growth since 2002 is largely due to low labour productivity. Agricultural growth has not been sustained due to a lack of credit and low investment, making it more of a safety net than a profitable business. As a result of land reform the number of small farmers accounted for about 37 per cent of total agricultural production in 2006 and the rural non-farm economy grew from 37 per cent (of what?) to 43 per cent making these activities important in the countryside. Overall household incomes increased to 50 per cent during this same period (Atamanov & van den Berg, 2010). In this context policies that encourage investment in infrastructure, improve access to financial resources, improve skills, strengthen human capital and local drivers of growth, would be beneficial (Atamanov & van den Berg, 2011:21).

Policy should be formulated in a way that serves the poor who are unemployed and constrained due to the lack of resources and are redundant due to problems in agriculture. The rural non-farm economy is diversified and offers the poor the

opportunity to sufficiently diversify their incomes to reduce poverty and should be given special attention by organisations, governments and private donors.

2.5.6 Vietnam

Agriculture in Vietnam remains an important part of the economy and an important factor in poverty alleviation, just as it was when the country transitioned from a planned economy to a market economy. GDP began to grow during the first phase of reforms after the resolution of previous policy distortions, but this growth has not been sustained amid fears that agriculture will not be able to absorb labour as the country's growing work. Agriculture's share of total employment fell from over two-thirds in 1990 to around 58 per cent in 2004, and underemployment was high in rural areas. Thus, rural non-farm activities play an important role in rural economic development and have become an increasingly important source of employment for rural residents since the 1990s. In addition, trade policy reforms have had an impact on employment in the rural non-farm sector (Pham, 2006).

2.5.7 Bangladesh

In the 1980s and 1990s, as the Green Revolution unfolded in Bangladesh, production of rice wells soared. 750,000 shallow tube wells were drilled, over a million treadle pumps were sold and rural non-farm activities exploded. As a result, 50,000 rice millers, 80,000 petty (small?) traders and 160,000 rural technicians starting work significantly affected agriculture (How? Did it affect agriculture?). Thus, agriculture and rural non-farm activities are intertwined as was evident in the cities surrounding Metro Manila in the early 1900s (Haggblade *et al.*, 2007: 141).

2.5.8 South Africa

Archary (2012) noted that there were some gaps in the system of land acquisition and use due to early contact between Dutch settlers and the indigenous Khoisan people:

- Uneven distribution of assets, unequal income distribution, unequal access to social services, and high levels of illiteracy among the citizens

- A dispersed residential and farming settlement pattern, which lacks viable economic or social links to areas of the country that are more economically active
- Natural resources are underused or are being used in an unsustainable manner
- Insufficient socio-economic infrastructure, public facilities, and government services (for example, vacant industrial parks, especially in old settlements)
- Water shortages, both in household and agricultural sectors
- Poor literacy and skills levels, as well as migratory labour practices
- Inefficient social infrastructure
- Restitution and land tenure issues remain unresolved
- The establishment of a number of townships has not been formalised, resulting in restrictions on the provision of services and development
- A dependency on social grants and other forms of social assistance
- Untapped potential in agriculture, tourism, mining, and manufacturing

Initiatives such as the Comprehensive Rural Development Plan (CRDP), which aims to create vibrant, equitable, and sustainable rural communities, have been introduced as a strategy to achieve this vision through agrarian transformation. That transformation takes the form of a rapid and fundamental change in the relationships among land, livestock, crops, and communities. As part of the CRDP, the individual, household, community, and space are taken into account. Rural areas are believed to have the potential to generate jobs and economic opportunities which are a viable alternative to urban centres which can reduce rural-urban migration. Additionally, rural economies can support both agricultural and non-agricultural activities. There should also be a focus on collaborative development initiatives that create sustainable links between rural and urban areas and are not limited to agriculture, but also include the mining, tourism, manufacturing, retail and service sectors (Archery, 2012).

Archery (2012) states that Africans' land use patterns and cultures were eroded by new colonial systems during the apartheid era, which led to underdevelopment. The systems included:

- Slavery

- A distorted barter system to take advantage of their own land management systems
- The adoption of methods of farming was inappropriate to the African culture
- The growth of settler communities led to demarcation, affecting indigenous farmers and ranchers who share the same resources

Due to this, the CRDP emphasises a strategic investment in economic, social, ICT, and public infrastructure, as well as the mobilisation and organisation of rural people into functional groups to enable them to effectively manage their own development. A number of additional measures were adopted from 1994 to 2001, including the National Rural Development Strategy (NRDS), the Rural Development Framework (RDF), the Integrated Sustainable Rural Development Strategy, Broadening Access to Agriculture Thrust (BATAT), and the National Spatial Development Perspective (NSDP) (Archery, 2012).

2.6 Significance of the rural non-farm sector in Africa

Rural non-farm activities contribute to employment, income-generation, and social income, which in this section are transferred across Africa and compared to the rest of the world, taking into account participation patterns. It would therefore, be a mistake to ignore the rural non-farm sector as it plays a crucial role in the livelihoods of many rural households (Lanjouw & Lanjouw, 1995: 1-2).

2.6.1 Types of rural non-farm activities and employment capacity

The quality of rural non-farm activities is generally affected by the type of enterprise (Jha, 2011:14). Rural non-farm enterprises in rural Africa are small informal enterprises that contribute a significant share of household income to rural households, both by necessity and opportunity. As a consequence, they are neither dynamic nor do they create as many jobs (outside the family), and they tend to perform worse than formal businesses in the city (Nagler & Naude, 2017:177-8). A study covering six countries from 2005 to 2013 found that 42% of rural households operate non-farm businesses such as trades and sales, non-agricultural businesses,

professional services, bars and restaurants, transport, and others. These include Ethiopia, Malawi, Niger, Nigeria, Tanzania, and Uganda. However, rural non-farm enterprises are unsustainable particularly due to the vagaries in the agricultural sector (Nagler & Naude, 2014:22).

Table 2.1 shows that many households are able to diversify their sources of income and increase their financial stability thanks to the presence of the rural non-farm sector. Interestingly, agriculture continues to play a significant part in employment in all the countries as it follows at 26.31% in Ethiopia, 20.09 in Malawi and 26.62% in Niger. According to Table 2.1, non-agricultural businesses represent 25.69% in Ethiopia, 18.06 percent in Malawi, and 7.40% in Niger, demonstrating that farming and rural non-farm activities are interrelated. Consequently, other rural non-farm activities reveal nuanced results depending on the nature and context of every country with professional services accounted for 1.12% in Ethiopia, 0.53% in Malawi and 4.28% in Niger. Bar or restaurant activities accounted for 0.48% in Ethiopia, 2.40 percent in Malawi and 1.11% in Niger and transport accounts for 1.23% in Ethiopia, 2.56% in Malawi and 1.37% in Niger. Lastly, other activities accounted for 13.69% in Ethiopia, 20.72% in Malawi and 23.81% in Niger.

Table 2.1: Employment in rural non-farm activities in sub-Saharan Africa (2005- 2013)

Business activity	Ethiopia (%)	Malawi (%)	Niger (%)
Trade and sales	31.40	35.64	35.42
Agricultural businesses	26.31	20.09	26.62
Non-agricultural businesses	25.69	18.06	7.40
Professional services	1.12	0.53	4.28
Bar or restaurant	0.48	2.40	1.11
Transport	1.23	2.56	1.37
Other	13.69	20.72	23.81

Source: Nagler & Naude (2014).

The contribution of the rural non-farm sector to job creation varies and, in some cases may vary due to the uneven distribution of infrastructure development across regions. In rural areas of the developing world, the importance of non-farm employment has gained more attention over time, as evidenced by the number of chiefdoms with non-farm employment in Kaduna State (Madaki & Adefila, 2014:659). All chiefdoms seem to have significant trade and commercial activities, with Saminaka accounting for more than half (52.8%). A close second is Yarkasuwa (43.9%), followed by Lere (43.3%)

and Piriga (50.5%). This is not surprising considering the market structures more prevalent in these areas. The manufacturing activities in Saminaka comprised (18.4%), Yarkasu (20.9%), Lere (19.5%) and Piriga (20.6%).

It can be noted that manufacturing has overtaken trade and commerce in rural areas, leading to increased employment in non-farm occupations in rural areas. In the chiefdoms of Paramount Chief Lere (15.5%), Saminaka (14.4%), Yarkasuwa (11.0%) and Piriga (7.5%) services were also responsible for generating employment. As far as construction is concerned, Yarkasuwa (7.7%), Lere (6.2%), Saminaka (4.0%), and Piriga (3.2%), recorded the highest levels of participation. In the transport sector, Lere had levels of 7.2%, Saminaka (4.8%), Yarkasuwa (4.4%) and Piriga (2.2%). In these locations, the high level of economic development could be attributed to increased infrastructure development. Piriga made up 11.8% of the forestry activities, followed by Yarkasu (7.7%), Lere (6.2%) and Saminaka (3.2%). Trade and commerce overall created more jobs than other industries. However, their share is restricted by limited job opportunities in the countryside outside of agriculture (Schmidt & Bekele, 2016:7).

Madaki and Adefila (2014) did not consider agriculture in their study but state that agriculture accounted for 44.8% of employment and the rural non-farm sector accounted for 55.2% in Kaduna State, Nigeria between 2007 and 2011 requiring undivided attention for policymakers to growth it substantially to absorb the growing labour force.

Table 2.2: Contribution of rural non-farm activity to employment generation, 2007- 2011

Rural non-farm activity	Chiefdoms								Σ	%
	Saminaka		Yarkasuwa		Lere		Piriga			
	Freq	%	Freq	%	Freq	%	Freq	%		
Manufacturing	23	18.4	19	20.9	19	19.5	20	21.6	81	19.8
Trade & commerce	66	52.8	40	43.9	42	43.3	47	50.5	195	48.3
Construction	5	4	7	7.7	6	6.2	3	3.2	21	5.2
Transportation	6	4.8	4	4.4	7	7.2	2	2.2	19	4.7
Services	18	14.4	10	11	15	15.5	7	7.5	50	12.3
Forest related	4	3.2	7	7.7	6	6.2	11	11.8	28	6.7
Others	3	2.4	4	4.4	2	2.1	3	3.2	12	3

Source: Madaki & Adefila (2014).

Rural households consider diversifying their income sources in rural Zanzibar, Tanzania and engage in rural non-farm activities with low barriers to entry. Kassim (2011:34-35) found that many rural households still consider agriculture as their primary activity, accounting for 51% (crops, fish and livestock) of employment in rural Zanzibar during the 2003 period as shown in Table 2.3 and sales of crops constituted the largest share at 22.2%. Nonetheless, the rural non-farm sector allows many rural households to diversify their income due to its heterogeneity and accounted for 49% with business income, and sales of livestock products accounted for the smallest shares of 5.3% and 3.4 percent, respectively.

Table 2.3: Household heads main source of income in rural Zanzibar in 2003 (n= 4755)

Activity	Frequency	Percentage
Sales and crops	1057	22.2
Wage employment	891	18.7
Sales of forest products	756	15.9
Fishing	704	14.8
Sales of cash crops	479	10.1
Cash remittances	459	9.6
Business income	250	5.3
Sales of livestock and livestock products	159	3.4

Source: Kassim (2011).

2.6.2 Income levels

The substance of the rural non-farm sector depends upon the dynamics and environmental characteristics of every country leading to different contribution, as shown in this section. In rural Ghana for the 8687 households included in the survey conducted during the period 2005 to 2006, agriculture accounted for 61% at the Forest and Savanna belts and 49.10% in the Coastal belt while the rural non-farm sector

accounted for 41.4% at the Forest, 39.2% at the Savanna and 33.1% at the Coastal as shown in Table 2.4. Rural non-farm self-employment in the Coastal belt constituted 22.3%, but is less important in the Savannah and Forest where it made up only 20.4% and 17.6%, respectively (Senadza, 2012:236).

Table 2.4: Income shares by geographical location (2005/6)

Income source	Coastal	Forest	Savannah
Total farm	49.10	61	61
On-farm	45.5	58.6	60.8
Farm wage	3.6	2.4	0.2
Total rural non-farm	33.1	27.2	24.6
Rural non-farm self-employment	22.3	17.6	20.4
Rural non-farm wage employment	10.8	9.6	4.2
Remittance	11.6	8.8	4.7
Other	6.2	3	9.7
Total Off-farm	54.5	41.4	39.2

Source: Senadza (2012).

The rural non-farm sector was less than 9 percent of the economy in Malawi, but it was exceedingly high in Niger (about 36%), Nigeria (29.50%), Tanzania (16.44%), and Uganda (12.69%) as shown in Table 2.5. Agriculture by contrast made up a greater portion of rural household income, recorded at 57.21% in Tanzania, 56.28% in Nigeria, 56.07% in Uganda, and 48.07% in Malawi, the exception being in Niger which stood at 33.55% (Nagler & Naude, 2017:178).

Table 2.5: Contribution of rural non-farm activity to total household income (2013)

Activity	Malawi (%)	Niger (%)	Nigeria (%)	Tanzania (%)	Uganda (%)
Agriculture	48.07	33.55	56.28	57.21	56.07
Non-agricultural wage	9.80	4.49	10.6	7.49	12.69
Transfer & other	11.73	21.78	2.38	13.32	5.89
Agricultural wage	21.87	4.40	1.23	5.54	4.65
Self-employment	8.53	35.78	29.50	16.44	12.69

Source: Nagler & Naude (2017).

As shown in Table 2.6, although agriculture was a substantial contributor to rural household income in other African countries, rural non-farm income made up a significant percentage of respondents' livelihoods in Lesotho in 2010. Respondents received an average of 57% of their livelihood from non-farm income in the rural areas, while agriculture made up 18.5% of their income. Thus, income from non-farm businesses in rural Lesotho can be considered the major source of income, while income from agriculture is supplementary. Due to the low agricultural productivity,

Lesotho often faces food insecurity, which explains the high average percentage of income coming from the rural non-farm sector (Ratšo, 2016: 326-327).

Table 2.6: Average percentage of livelihood derived from different sources in Lesotho, 2010

Type of livelihood	Average %
Rural non-farm business income from this business	35.3
Rural non-farm business income from other businesses	21.7
Farming income: Crops	8.1
Farming income: Stock	10.4
Assistance/ remittances from family/ friends	24.7
Social transfer from government (e.g. pension)	0

Source: Ratšo (2016).

2.6.3 Determinants of participating in the rural non-farm sector in Africa

There are several demographic and socioeconomic factors that influence rural households to engage in non-farm activities. These factors include gender, age, education, household size, and landholding, as well as public funds and financial assets (Kassim, 2011; Odoh & Nwibo, 2017; Cliché, 2011:4; Escobal, 2001:506). Consequently, rural households faced with shocks and food insecurities are more inclined to rural non-farm orientation (Nagler & Naude, 2014: 17). Reviewing these characteristics will help us understand the dynamics of the rural non-farm sector to ensure that policy designs are pertinent and address any potential challenges that may affect its growth.

2.6.3.1 Gender

As was observed in rural Zanzibar, gender has an important impact on access to income earning opportunities. More female respondents (83.5%) participated in over 50% of the listed non-farm activities compared to 57.4% male respondents, according to the 2003 survey, suggesting that women had a stronger interest in diversifying their livelihoods into rural non-farm employment (Kassim, 2011:31). This may be because women require small start-up capital as they face social and resource constraints in the agricultural sector (Sackey, 2018:67). While women dominated the rural non-farm sector of sub-Saharan Africa, women-owned businesses were less productive than men-owned businesses between 2005 and 2013, and women still earned less than men (Cliché, 2011; Nagler & Naude, 2017).

Table 2.7: Status of participation in rural non-farm activities by gender of the respondent in Zanzibar in 2003 (n=4755)

Level of participation	Male households heads		Female households heads		Total	
	No	%	No	%	No	%
Low participation	998	42.6	396	16.5	1395	29.3
Medium participation	1346	57.4	2014	83.5	3360	70.7
High participation	0	0	0	0	0	0
Total	2344		2411		4755	

Source: Kassim (2011).

In Nigeria men dominated in manufacturing during the period 2007 to 2011, accounting for 76% against 23.3% of females, as well as in the transport sector at 89% against 10.5% of females and also in the service sector at 66% compared to 34% of females. Women were at not all represented in construction activities with men representing 100% participation. On the other hand, women did better in trade and commerce accounting for 64% with males at 34%. As shown in Table 2.8, this leads to inequalities that make it more difficult for rural women to reduce poverty and sustain the livelihoods of rural households (Madaki & Adefila, 2014:658).

Table 2.8: Gender and participation in rural non-farm activities in Kaduna State, Nigeria, 2007-2011

Gender	Manufacturing		Trade & commerce		Construction		Transport		Service	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
Male	69	76.7	67	36	21	100	17	89.5	33	66
Female	21	23.3	119	64	0	0	2	10.5	17	34

Source: Madaki & Adefila (2014).

However, some studies in Africa have shown that a relatively large proportion of rural women are employed in jobs other than agriculture, the proportion in Ghana having increased over time from around 31% to 33% (compared to 20% and 33% for men, respectively). Given the limited start-up capital available to women, it is not surprising that they pursue self-employed activities such as petty trading (Sackey, 2018).

2.6.3.2 Age

Age-groups and their involvement influence participation in Kaduna State of Nigeria where the 0-40 years old age-group made up about (29.1%) and about (28.6%) were in the age group of 41-50, according to the survey conducted between 2007 and 2011 (14.8%). The oldest group in this sample, which constituted 5.9% of the population, is

perhaps the smallest. A similar proportion of older manufacturing entrepreneurs (13.6%) were in the age groups 51-60 and 61-70 years. According to Table 2.9, 12.3% of the manufacturing sector's workforce is over 70 years old (Madaki & Adefila, 2014:657-658).

Madaki & Adefila (2014) observed that the transportation sector displays a fairly balanced distribution between the 41-50 age group and the 0-40 age group (26.3%). In the service sector, the 41-50 and 51-60 age groups had equal strength (18.0%). There was a striking absence in the service sector of persons older than 70 years of age. In forestry activities, the age groups 51-60 years (32.1%) and 61-70 years (35.7%) recorded a higher participation rate.

Table 2.9: Age- group in rural non-farm activities in Kaduna State, Nigeria (n=406), 2007- 2011

Age Group	Manufacturing		Trade & Commerce		Construction		Transport		Service		Forest Related		Others	
	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%	Freq	%
0-40	26	32.1	51	26.2	8	38.1	5	26.3	25	5	2	7.1	1	8.3
41-50	23	28.4	66	38.8	6	28.6	5	26.3	9	18	5	17.9	2	16.7
51-60	11	13.6	45	23.1	5	23.8	4	21.1	9	18	9	32.1	5	41.7
61-70	11	13.6	24	12.3	2	9.5	3	15.8	7	14	10	35.7	3	25
70+	10	12.3	9	4.6	0	0	2	10.5	0	0	2	7.1	1	8.3

Source: Madaki & Adefila (2014).

By contrast, the economically active population in rural Zanzibar were between 35 and 60 years old in 2003, with the age group between 35 and 45 years constituting 31.21%, followed by the age group younger than 35 years at 26.35% and lastly, only 21.87% was between the ages of 46 and 60 years while respondents over the age of 60 years comprised 20.57%. Among older household heads, low participation in certain activities may be due to some activities requiring a high level of enthusiasm (Kassim, 2011:37-38).

Table 2.10: Age and activities of household heads who participate in rural non-farm activities in Zanzibar in 2003 (n=4755)

Age of respondents (years)	Total number of respondents	Percentage of respondents
Younger than 35	1253	26.35
Between 35 and 45	1484	31.21
Between 45 and 60	1040	21.87
Over 60	978	20.57
Total	4755	100

Source: Kassim (2011).

However, some studies in Africa point to youthfulness as is the case in Ghana during 2013 where about 28% of rural workers were between the ages of 25 and 34 compared to the adult group between 35 and 44 representing 24.3% and the age group between 45 and 54 making up 22.1%. Participation declined with increasing age, with the 55-64 age group making up only 16.1% (Sackey, 2018:63). In part, this may be due to the fact that younger age cohorts tend to have higher levels of education and with this comes the opportunity to work in energy-intensive jobs outside of farms. Additionally, older individuals in rural areas are perceived as more cautious and are more likely to continue agriculture rather than choose a completely new primary economic activity (Riithi & Maina, 2015; UNCTAD, 2015). However, in the 15-24 age group participation was moderate at 10%, which could be attributed to schooling, as noted in 2.11.

Table 2.11: Composition of sample rural Ghana, 2013

	Total workers (Average) (%)	Female workers (%)	Male workers (%)
Rural non-farm employment prevalence	30.1	33.1	26.9
Demographic composition			
Age 15 to 24 years	9.6	9.6	9.8
Age 25 to 34 years	27.9	26.1	29.7
Age 35 to 44 years	24.3	24.9	23.5
Age 45 to 54 years	22.1	23.2	20.9
Age 55 to 64 years	16.1	16.2	16.1

Source: Sackey (2018).

2.6.3.3 Education

Education is defined as the ability to read and write and is a determinant of the type of rural non-farm activity but did not pose barrier to participate such as in Ethiopia (Kassim, 2011; UNCTAD, 2015; Cliché, 2011:4; Schmidt & Bekele, 2016; Nagler & Naude, 2017). Conversely, to improve the livelihoods of rural households, they must be able to move towards higher remuneration, an option that is largely absent from the rural non-farm economies of African countries (Nagler & Naude, 2014; Madaki & Adefila, 2014:662; Odoh & Nwibo, 2017:121).

Business performance in Lesotho has been influenced by the level of education achieved. For example, those with tertiary education have the highest monthly turnover of M 8,705.88 compared to those with secondary education, whose average turnover is M 3,414.42. There was a turnover of M 1,826.34 where owners were

persons with primary education, and M 1,818.18 for owners being persons without education. As a result, higher education has a positive effect on the development of rural and national areas in Lesotho (Ratšo, 2016:331-2). Riithi & Maina (2015:9) similarly reported that having technical skills facilitated participation in the rural non-agricultural sector.

Table 2.12: The average turnover of rural non-farm enterprises by level of education of entrepreneurs in Lesotho, 2010

Turnover	Level of education							
	None		Primary		Secondary		Tertiary	
	Freq	%	Freq	%	Freq	%	Freq	%
<M1000	7	63.6	17	65.4	14	40	1	5.9
M1000- M5000	3	27.3	8	30.8	10	28.6	5	29.4
M5000- M10000	1	9.1	0	0	11	31.4	7	41.2
M10000- M20000	0	0	1	3.8	0	0	3	17.6
M20000- M50000	0	0	0	0	0	0	1	5.9
M50000>	0	0	0	0	0	0	0	0
Total	11	100	26	100	35	100	17	100
Average turnover	M1 818.18		M1 826.94		M3 414.42		M8 705.88	

Source: Ratšo (2016).

2.6.3.4 Household size

Family sizes that are large tend to consume more, making rural non-farm activities an effective strategy for increasing the financial capacity of rural families to support their basic needs. Such is the case in rural Zanzibar, where large households made up 70.9% of the total and smaller families constituted only 29.1% of households. (Kassim, 2011:27-28).

Table 2.13: Demographic characteristics of sampled households in Zanzibar in 2003 (n= 4755)

Household size	Frequency	Percentage of sampled population
Larger family size	3369	70.9
Smaller family size	1386	29.1

Source: Kassim (2011).

In south-east Nigeria, a large household size's energy and resources were used to improve household income, with 68.5% attributed to the household size of 1 to 6 members and 50% is for the household size of 7 to 12 members in 2006. However, a large family size had a negative impact on income with a meagre 0.8% attributed to the household size of 25 to 30 members (Odoh & Nwibo, 2017:120-121).

Table 2.14: Percentage distribution of respondents according to socio- economic characteristics, 2006

Household size	Frequency (n=360)	Percentage
1-6	155	43.1
7-12	180	50
13-18	18	5
19-24	4	1.1
25-30	3	0.8

Source: Odoh & Nwibo (2017).

2.6.3.5 Landholding

An owner's relative wealth can be determined by his or her possessions (land, livestock, tools, and equipment). Because most respondents (66.6%) had farms less than 1.0 ha, access to small farms was hypothesised to increase the likelihood of participants engaging in rural non-farm activities; the majority of sampled households owned farms ranging in size between 1 and 3 ha, while the remaining 0.4% owned farms ranging from 4 to 5 ha, as indicated in Table 2.15. Among the farm households in the sample, 81% owned land while 19% rented it. Men owned 61% of the land, compared to women who owned 39.1% and in the same vein, all those who rented land were women (100%) and men did not rent at all (Kassim, 2011).

Table 2.15: Household land holding and type of ownership in Zanzibar in 2003 (n=4755)

	Total number of respondents	Percentage	Percentage of male households	Percentage of female households
Land holding				
1 to 3 ha	3166	66.6	48.5	51.5
1 to 3 ha	1570	33	50.7	49.3
4 to 5 ha	12	0.3	58.3	41.7
Above 5 ha	7	0.1	100	
Type of land ownership				
Owned land	3850	81	60.9	39.1
Borrowed land	905	19		100

Source: Kassim (2011)

Ratšo (2016:334) found that in Lesotho a decrease in farm production propelled rural households to diversify into rural non-farm enterprises to supplement the meagre agricultural production, while the increase in farm size tends to reduce the propensity to diversify (Odoh & Nwibo, 2017; Riithi & Maina, 2015; Sackey, 2018). As such, distribution of land is an important determinant of employment. Thus, landlessness can constrain income particularly in agriculture dominant countries such as in rural Ethiopia. Many youth-headed households in the country do not have the same access

to land as adult-headed households (Cliché, 2011:3; Schmidt & Bekele, 2016:7-8). However, Nagler & Naude (2017:178) points out that land area affects participation in rural non-farm activities in any way.

2.6.3.6 Location

The location of the rural non-farm sector is critical to the growth of a viable, diverse and meaningful sector that can improve the living standards of rural residents. Road infrastructure, proximity to major markets, and the concentration of economic activity in specific areas all contribute to the success of these factors, with or without the use of information and communications technology (ICT) (Kassim, 2011; Cliché, 2011). As distance from urban centres increases, the role of distance decreases, while proximity to urban centres can facilitate the growth and demand for rural non-farm enterprises (Davis *et al.*, 2017; Schmidt & Bekele, 2016, Kassim, 2011). While this creates long and tortuous supply chains that lead to corrosive competition, it often forms key connections between itinerant traders and large-firm intermediaries. The viability of off-farm rural supply systems is often affected, as rural households are unable to move their produce and generate more income from larger markets (World Bank, 2007:11-12).

However, there is an exception in Malawi, Niger, Ethiopia, and Nigeria as these countries are able to diversify their income sources, but their potential earnings are constrained because their rural non-farm economy is confined to local markets and transport infrastructure may encourage rural non-farm entrepreneurship (Nagler & Naude, 2014:15).

2.6.3.7 Financial assets

The financial standing of rural households determines their ability to successfully diversify into rural non-farm orientation. Poor households are unable to do so in rural Africa due to various constraints, including a lack of credit. Due to their similar capabilities and assets, individuals with similar incomes tend to work together, leaving individuals with fewer or no assets resulting from the process (Kazungu & Guuroh, 2014; Nagler & Naude, 2014, Odoh & Nwibo, 2017, Riithi & Maina, 2015; Sackey,

2018). Nonetheless, the demand for credit such as working capital by rural non-farm enterprises is formidable, but it is often impeded by administrative costs of lending to this group in low developing countries propelling households to mobilise their own savings (UNCTAD, 2015; Onchan, 2004:26). Effectively addressing patterns of inequality requires effective policy designs to address poverty rife among rural households, particularly for women remaining in their homes to take care of their households.

2.6.3.8 Shocks and food insecurities

Another factor contributing to the erratic but steep decline in agricultural and livestock production is the degradation of fragile soils or rangelands, especially in drought-prone regions. Individuals therefore seek other employment options, such as those in the rural non-farm sector, as insurance against disincentives to farming (Schmidt & Bekele, 2016; Nagler & Naude, 2017, Odoh & Nwibo, 2017; Ratšo, 2016; Bezu & Barrett, 2012). It is thanks to the income generated by rural non-farm activities that rural households have the opportunity to manage their food security, reduce their vulnerability to food insecurity and improve their standard of living (Nagler & Naude, 2014; Kassim, 2011; Zereyesuset *al.*, 2017).

2.7 Welfare outcomes gained in rural non-farm activities in Africa

Compared to agricultural income, rural non-farm activities provide rural households with better incomes for basic services such as access to better education, public services, health, housing, etcetera. Sackey (2018:71) reports that between 2006 and 2013, rural well-being at the community and individual levels improved in Ghana, where 315 of 339 rural communities reported improvements in well-being in which agriculture is the main economic activity; nine others mentioned fishing; and 15 reported rural non-farm activities, including trade, crafts and small-scale mining. Rural non-farm communities also experienced higher rates of improvement in well-being than both farming and fishing communities (37.5 per cent in fishing communities). Additionally, 174 (55 per cent) of the 315 farming communities that showed improvement over the previous decade ranked trading as the second most important

economic activity; another 28 (9) of the 315 respondents identified craft as their third most important economic activity.

Providing electricity and clean drinking water in municipalities was considered the main reason for improving living conditions. Rural communities were highly noted for their accessibility to transportation, business opportunities, and other social amenities (including health centres, schools, and recreation centres), which were recognised as contributing factors to the improvement of living conditions. Similarly, self-employment opportunities and government interventions such as the Rural Enterprises Programme have brought about significant changes - improving the well-being of the population. Rural communities experiencing deteriorating living conditions can attribute this to many factors, including poverty, unemployment, natural disasters, deteriorating social conditions, etcetera (Sackey, 2018).

In the following four African countries, Malawi (2011), Niger (2011), Tanzania (2009 and 2010) and Uganda (2010 and 2011), farm incomes decreased sharply with increasing welfare levels in each country. The proportion of income allocated to the poorest quintile decreased from approximately 50% in most countries to less than 20% in the richest quintile. Despite the decline in on-farm sources of income, off-farm sources of income remain important (such as non-farm wages and self-employment), which are positively correlated with household well-being and poverty prevalence (Davis *et al.*, 2017:160-164).

Similarly, in Tigray, Ethiopia the well-being of about 42 per cent respondents involved in rural non-farm activities soared, indicating an improvement in farmers' livelihood in terms of daily food self-sufficiency. There was a subsequent improvement of housing for 29 per cent, an increase in schooling for 13 per cent, an increase in confidence, independence, and reduced borrowing for about 5 per cent and 3 per cent of participants respectively, while only 9 per cent of the participants reported no improvement (Zerai & Gebreegziabher, 2011:11). As a result, household welfare in northern Ghana has improved through policies to promote off-farm income-generating activities such as small businesses and self-employment, as well as the creation and support companies absorbing surplus agricultural labour. In order for these resource

poor households to become more resilient, the government and development partners must act immediately (Zereyesus *et al.*,2017:122).

2.8 Significance of the rural non-farm sector in the rest of the world

The contributions of the rural non-farm sector requires further appraisal in the rest of the world so that comparisons can be made to draw lessons on how the sector can be bolstered, as this section elucidates.

2.8.1 Types of rural non-farm activities and employment capacity

During the period 2010 to 2012, 50% of households in rural Bangladesh worked in agriculture, while 50% worked in rural non-farm occupations. However, there were year-to-year variations, with 5% of households switching from farming to non-farm farming, as shown in Table 2.16 (Pramanik *et al.*, 2014:6).

Table 2.16: Distribution of the households according to main occupation, 2010- 2012

Occupation of the household	2010	2011	2012
Agricultural	51	46	54
Farming	29	11	27
Livestock	13	25	24
Farm labour	7	7	2
Fish farming	1	2	1
Non-agricultural	49	54	46
Business	16	14	12
Salaried job	8	8	9
Caste occupation	2	1	1
Foreign service (remittance income)	10	15	6
Income from interests	1	2	2
Other rural non-farm sources	13	14	16

Source: Pramanik *et al.*, (2014).

As such, rural non-farm activities gain more popularity in poverty reduction than agricultural activities in rural areas but agriculture is still an important resource in Batiaghta Upzila (Nasrin & Wahid, 2015). Table 2.17 shows that among the 110 samples, 27 respondents were businessmen, which was 24.54% of the total number compared to 25.45% listing themselves farmers in 2015. Among the samples, 8 were tea sellers, which represented 7.27% of the total. Additionally, tailoring made up 8.18% of the rural non-farm activities in the area. This shows that policy proposals should be

formulated in accordance with the landscape and environmental characteristics of each country to ensure that any deficiencies are positively addressed.

Table 2.17: Sample size of farm and rural non-farm activities

Types of activities	Observation	
	Number	%
Farmer	28	25.45
Fishery	21	19.09
Poultry	6	5.46
Total farm employment	55	
Tailor	9	8.18
Businessman	27	24.54
Tea selling	8	7.27
Shopkeeper	11	10
Total rural non-farm employment	55	

Source: Nasrin & Wahid (2015).

However, agriculture was still the major source of income of the rural Ecuadorian workforce, accounting for 65.9% while only 33.5% of the rural Ecuadorian workforce is in rural non-farm employment, which may reflect neglect thwarting its true potential of presenting the poor with the platform to alleviate food insecurity, as shown in Table 2.18 (Vasco & Tamayo, 2017:59-60).

Table 2.18: Rural non-farm employment share by region and sector, 2010

Activity	Costa %	Sierra %	Oriente %
Farm employment	68.1	65.7	64
Farm self-employment	32.3	52.5	53
Farm wage employment	35.8	13.2	11
Rural non-farm employment	31.8	34.3	36
Commerce	13.7	8.5	9
Transport	2.1	2.8	1.5
Finance	0.1	0.1	0
Public service	1	1.4	4.1
Teaching	1.9	2	5.9
Health services	0.8	0.7	2
Mining	1.6	0.3	3.1
Manufacturing	3.5	8.7	2.6
Construction	3.6	5.7	4.3
Domestic services	1.4	2.1	1.1
Other	1.2	1.3	1.7

Source: Vasco and Tamoyo (2017).

2.8.2 Income levels

Some African studies have already shown that rural households that pursued these activities received higher income, such as in Nigeria where households received about

58.2% from off farm activities in the period 2007- 2011 (Madaki & Adefila, 2014:659). About 57% was received from the rural non-farm sector in Lesotho during 2010 while during the same period, the World Bank found the figures to be between 35% and 50% (Ratšo, 2016; World Bank, 2007). By contrast, the farming sector accounted for 62% on average in rural Ecuador compared to 38% (44% in Oriente, followed by Sierra at 39% and Costa at 31%), as shown in Table 2.19 during the year 2010 (Vasco & Tamoyo, 2017:60).

Table 2.19: Household earning shares by employment category and region, 2010

Activity	Costa	Sierra	Oriente
Farm employment	69	61	56
Farm self-employment	32	45	42
Farm wage employment	37	16	14
Rural non-farm employment	31	39	44
Rural non-farm self-employment	20	27	33
Rural non-farm wage employment	11	12	11

Source: Vasco & Tamoyo (2017).

Interestingly, rural non-farm economic activities of households in Nepal account for the largest single share of total income at 37% in the period 2010 to 2011, showing an increase from only 22% in 1995/96 in comparison to farm income that decreased from 61% to 27.6%, over the same period due to fragility, as shown in Table 2.20 (Ghimire, Huang & Shrestha, 2014:125).

Table 2.20: Household earning shares by employment category and region, 2011

Activity	1995/6	2003/04	2010/11
Farm income	61	47.8	27.7
Rural non-farm income	22	27.6	37.2
Other income	16	24.5	35.1

Source: Ghimire, Huang & Shrestha (2014).

Consequently, in rural Bangladesh, the rural non-farm sector increased from 46.13% in 2010 to 56.25% in 2012 compared to the farming sector's contribution to income, which declined from 53.87% in 2010 to 43.79% in 2012, as shown in Table 2.21 (Pramanik *et al.*, 2014:23).

Table 2.21: Trends in household income from farm and rural non-farm sources, 2010- 2012

Sources of income	Annual income (current USD)			Share of income		
	2010	2011	2012	2010	2011	2012
Farm	1050	1077	981	53.87	47.22	43.79
Crop	620	327	479	31.79	14.34	21.38
Livestock	272	505	319	13.95	22.16	14.24
Fisheries	84	174	121	4.31	7.63	5.402
Farm labour	75	70	63	3.83	3.09	2.813
Rural non-farm	899	1204	1260	46.13	52.78	56.25
Business	229	236	218	11.77	10.36	9.732
Service	157	158	152	8.04	6.95	6.786
Remittances income	330	560	568	16.95	24.55	25.36
Caste occupation	11	13	11	0.56	0.59	0.491
Interest income	20	43	96	1.03	1.9	4.286
Other rural non-farm sources	151	192	215	7.74	8.42	9.958
Total	1949	2281	2240	100	100	100

Source: Pramanik, Deb & Bantalin (2014).

2.8.3 Determinants of participating in the rural non-farm sector in the rest of the world

Various characteristics influencing participation in the rural non-farm sector have been explained and appraised by several empirical studies in Africa, which this study sought to compare with the findings in the rest of the world. Thus, this subsection reflects on these factors in other countries.

2.8.3.1 Gender

The employment of men in rural non-farm activities in rural areas of India has grown rapidly over the past decade, mainly due to a number of socio-economic factors faced by women, e.g., family responsibilities such as child care and cooking, poor health, limited educational opportunities and lack of skills for economic activity (Pramanik *et al.*, 2014; Haggblade *et al.*, 2002; Ranjan, 2006). This is evident in rural Bangladesh where male workers dominated the rural non-farm sector at 47% compared to 37% females, according to the data of the period 2000 to 2013, as shown in Table 2.22. In spite of this, as shown by Table 2.22, the attitudes of men and women are likely to influence their participation in economic activities. In comparison to the male worker

participation rate of 6% in 2000, the participation of female workers in rural manufacturing was higher (16%). As noted above, rural production encompasses a wide variety of activities utilising various technologies, which include cottage, small and medium enterprises as well as rice production, food processing, weaving, and tobacco production. This could contribute to the discernible increase in female participation (Sen *et al.*, 2018:8-9).

However, in the other sectors, female participation is meagre such as in the construction sector in which male workers increased from 3% to 18% from 2000 to 2013 against a slight increase in female workers from 1% to 5%. This includes the transport sector at 7.55% for male workers against 0.46% of female workers, formal work at 5.91% for male workers against 3.95% for female workers with the exception being for the hotel and service sectors at 6.25% for female workers against 4.24% for male workers. A number of African studies have demonstrated similar inequalities that plunge women into poverty. Evidence of women's success in non-farm activities in rural areas is mixed, as women mostly live in poor areas and often lack the assets and mobility to engage in rural non-farm activities to reduce poverty (Haggblade *et al.*, 2002: 30).

Table 2.22: Distribution of rural workers by household types and sector of employment, 2000 to 2013

Sector of employment	Male workers		Female workers	
	2000	2013	2000	2013
Agriculture				
Crop	59.50	49.32	31.56	54.65
Livestock	1.53	0.64	25.29	10.25
Fishery and forestry	2.25	2.85	1.72	0.31
Industry				
Manufacturing	5.77	11.7	15.99	19.07
Construction	2.98	17.69	1.24	5.05
Service				
Transport	19.19	7.55	6	0.46
Formal- public & private	5.38	5.91	8.66	3.95
Hotel, restaurant & other services	3.40	4.24	10.13	6..25

Source: Sen *et al.*, (2018).

There was, however, no exclusive right for women or men in Gospodaria, Romania and rural Peru to perform a particular activity, despite most women being confined to housekeeping and other networks within the village, which were less visible (Bleahu & Janowski, 2002; Escobal, 2001).

2.8.3.2 Age

The age of the respondents in Khulna, Bangladesh varied from 20 years to 70 years in 2015, as shown in Table 2.23. Nasrin & Wahid (2015) found that in Khulna, young people between the ages of 21- 30 (23.64%) and 31- 40 (19.09%) participated in the rural non-farm sector while participants aged between 51- 60 years (19%) participated mainly in the farm sector, as shown in Table 2.23. Table 2.23 also shows that only 6 women (10.9%) were involved in rural non-farm activities, while the proportion of male participants totalled 89.1%, and among agricultural respondents, all respondents are male. This aligns with the findings as the respondents become older, the more involved they are in the farming activity, and vice versa (UNCTAD, 2015:89).

Table 2.23: Age and sex distribution of respondents (n=110)

Age	Frequency				Percentage (%)	
	Rural nonfarm		Farm		Rural non-farm	Farm
	Male	Female	Male	Female		
21-30	24	2	2	0	23.64	1.82
31-40	18	3	8	0	19.09	7.27
41-50	7	1	16	0	7.27	14.55
51-60	0	0	19	0	0	17.27
61-70	0	0	10	0	0	9.09

Source: Nasrin & Wahid (2015).

The lack of experience and professional training among young people aged 16 to 25 was shown to restrict their involvement in non-farm activities in rural Romania (Bleahu & Janowski, 2002:42). The age of the household head is crucial as it is believed that with age, people accumulate both experience and personal capital and thus demonstrate a greater likelihood of investing in rural non-farm enterprise, with men more likely to dominate (Ghimire *et al.*, 2014).

2.8.3.3 Education

Escobal (2001), Davis (2006), Ranjan (2006); Zhu & Luo (2006) concur that education is important for better employment outcomes and earning potentials and those who possess it are likely to venture out of farm employment. The study found nuanced results regarding the relationship between education and employment in the industry in rural Asia; for example, those who work in manufacturing tend to have a similar number of years of education as those who work in agriculture. However, in 2010, more educated people were more likely to be employed in the service sector, which increased significantly in 2013 compared to manufacturing. With the advancement of education, the possibility of rural non-farm involvement gradually increases (Dorosh *et al.*, 2018:25-26).

Nasrin & Wahid (2015:4) observed that education in rural areas improved in 2015, as shown in Table 2.24, where it was found that 35 respondents in rural Bangladesh had only one to five years of schooling, which represented approximately 32%. About 19 respondents had no schooling, which represented 17.27%, indicating that most respondents that engaged in farming activities did not have a high level of education.

Figure 2.24: Years of schooling of the respondents in Khulna, Bangladesh

Schooling (Year)	Frequency		Percentage	
	Rural nonfarm	Farm	Rural nonfarm	Farm
No schooling	4	15	3.64	13.63
1-5	10	25	9.09	22.73
6-8	16	14	14.54	12.73
9-10	16	1	14.54	0.91
11-12	9	0	8.18	0

Source: Nasrin & Wahid (2015).

There is an interesting finding that higher education does not impact self-employment activities, but it does have a significant impact on self-employment income (Jha, 2011; Atamanov & van den Berg, 2011).

2.8.3.4 Household size

Having different sources of income may be advantageous to circumvent food insecurities in poor rural households as the more working-age adults there are in rural households, the more likely they will have a range of skills that allows income diversification (Wan, Li, Wang, Liu & Chen, 2016; Ghimire *et al.*, 2014). Although rural non-farm activities are heterogeneous, studies in Asia show nuanced results. In rural Bangladesh, larger family sizes negatively affect income (Pramanik *et al.*, 2014; Nasrin & Wahid, 2015). Nasrin & Wahid (2015:4) highlighted in their study in rural Bangladesh during the period 2015 that the family size of 4- 6 (76%) members preferred diversifying into the rural nonfarm activities while family member ranging from 7- 9 (11%) preferred to work on the farm (Table 2.25).

Table 2.25: Household size of respondents in Khulna

Household size No	Frequency		Percentage (%)	
	Rural nonfarm	Farm	Rural nonfarm	Farm
1-3	7	0	6.36	0
4-6	42	35	38.18	31.82
7-9	6	20	5.46	18.18
Total	55	55		

Source: Nasrin & Wahid (2015).

2.8.3.5 Landholding

The ability to own fixed agricultural assets in rural areas of Peru increased the share of agricultural income in total household income and reduced the need for wage labour in the agricultural and rural non-farm sectors (Escobal, 2001:504). However, in rural Romania land is regarded as a burden and is on average small (2.4 ha) mainly worked by the family members much as in some rural parts of Bangladesh where financial constraints may propel those who own a square of land to venture into rural non-farm activities because they are unable to expand their farming business (Pramanik *et al.*, 2014; Bleahu & Janowski, 2002). Consequently, household income decreases with the increase of land size. It can be concluded that the presence of assets other than land encourages the formation of pure rural non-farm households in rural areas (Jha, 2011, Ranjan, 2006; Dorosh *et al.*, 2018; Sen *et al.*, 2018; Nasrin & Wahid, 2015). Nonetheless, medium and larger farmers may have the incentives to venture into rural

non-farm activities, while in China they prefer to divide their lands into several plots to diversify their agricultural incomes (Wan *et al.*, 2016:9).

2.8.3.6 Location

In rural Peru, poor agricultural zones typically have a lower percentage of non-farm-based income and income from skilled subsistence farming, which results in an exodus of energetic youth cohorts to seek greener pastures elsewhere (Escobal, 2001:504). In rural China, households living in cities far from markets and/or transport hubs were less likely to engage in non-farm activities, which in turn reduced the profitability of local non-farm enterprises (Zhu & Luo, 2006:17). Ranjan (2006:19) therefore suggests that policies inducing rural industrialisation should be forced to return any profit losses.

2.8.3.7 Financial assets

It is certain that households with liquidity constraints as a result of insufficient development of the insurance and credit markets will be more able to engage in self-employment (Zhu & Luo, 2006:14). The development of credit markets and rural demand management are the only ways rural non-farm economies can become more capital intensive (Davis, 2006; Nasrin & Wahid, 2015; Wan *et al.*, 2016). However, rural non-farm sources of income may be sufficient to ease the monetary constraint replacing the need for a credit or credit constraint (Escobal, 2001:504). Having financial resources allows even those who own farmland to diversify into rural non-farm orientation (Pramanik *et al.*, 2014:19).

2.8.3.8 Shocks and food insecurities

Agriculture is vulnerable to shocks and insecurities (?) and can therefore accumulate transferable assets such as human capital, thereby forcing workers out of the sector. Agricultural activities are generally considered more vulnerable to natural disasters than non-agricultural activities such as trade and manufacturing in rural areas (Dorosh *et al.*, 2018; Ranjan, 2006).

2.9 Welfare outcomes from rural non-farm activities from the rest of the world

To measure improvements in well-being, we can draw on existing socio-economic resources within households, as well as social and political networks, education and skills that can be invested in various ways outside of exploitation. The concept of holistic diversification refers to the actions of rural households to support their livelihoods and improve their well-being through trade and employment. Conversely, wage labour, wage migration, and craft and tool production may contribute to welfare but may not necessarily do so unless households are able to attract high-return sectors often achieved by wealthier households. The resulting inequalities highlight the need for rural poverty reduction interventions that take into account local inequalities and cater to the underprivileged (Gautam & Anderson, 2016:243-5).

In Kyrgyz, the wellbeing of rural households increased as the result of the increase in rural non-farm orientation during the period 2006 compared to farm activities in reducing poverty removing dependency on agriculture (Atamanov & van den Berg's, 2010; Nasrin & Wahid, 2015). However, this is dependent upon the type of activity as some of these are small-scale activities posing difficulty in measuring the level of welfare. Sen *et al.*, (2018:28-29), on the other hand, argue that the rural non-farm is heterogeneous allowing rural households to earn better earnings, such as salaried work and income from self-employment, among others, which can encourage an exit out of subsistence agriculture. Such a transition does indeed represent a welfare advantage over the previous situation of households confined to the agricultural sector. Poverty was reduced faster in the 2000s than in the 1990s in rural Bangladesh, as a result of multiple sources of diverse income.

2.10 Policy issues and implications

Existing literature studies demonstrated that the rural non-farm sector is too important to be ignored as it exposes rural households to diverse activities that yielded high incomes able to provide access to indispensable needs that can maximise welfare outcomes. However, there are few obstacles such as the infrastructure backlogs and financial constraints among other challenges engulfing the sector, which should be eradicated by the government and private organisations, including donors to ensure

that rural economies contribute to the GDP (Onchan, 2004; World Bank, 2017). While governments do not deliberately neglect rural non-farm economies, national policies on the whole generate unintended impacts on individual segments of the rural non-farm economy, as governments rarely enunciate policies specifically intended to affect the rural non-farm economy. Government, large domestic urban enterprises, and foreign interests usually negotiate complex and ongoing policies relating to exchange rates, tariffs, licensing, and fiscal reforms to advance greater national interests, but they are typically implemented without considering the impact on rural nonfarm economies (Haggblade *et al.*, 2002:39-41).

Haggblade *et al.*, (2002) suggest that in the event that the government were to intervene, it would be justified on the basis of sound economic or social interests. Interventions of this type involve the following elements:

2.10.1 Creation of an enabling business environment

The competitive health and growth prospects of rural non-farm enterprises are clearly influenced by the environment in which they operate. The rural non-farm economy is affected by many factors, including the business environment, personal security, property rights, contract enforcement, trade and price laws, and business registration (Madaki & Adefila, 2014; Nagler & Naude, 2017).

2.10.2 Equity concerns

Government should assist small businesses in either competing better on the market or reorienting themselves to non-farm activities in the rural areas, while at the same time providing adequate safety nets. In addition, non-profit organisations, which most often provide aid to the rural poor through non-farm economic activities, are motivated by considerations of equity (Vasco & Tamayo, 2017:66). The capacity of individuals to run sustainable non-farm enterprises in rural areas needs to be considered in a number of important respects (Pramanik *et al.*, 2014; Zhu & Luo, 2006; Atamanov & van den Berg, 2011; Rashidpour, 2012). In Honduras, the rural non-farm sector is growing slowly due to constraints such as financial barriers to covering start-up and entry costs as well as operational costs. Furthermore, the disadvantaged poor

households would often only be able to participate in self-employment activities while educated persons move towards rural non-farm employment for better yields (Ruben & van den Berg, 2001:559)

Incentives and the capacity of households to respond to these policies must be provided to achieve the objective of rural development policies, while agricultural policies must aim to promote agro-industry and agro-industrial value chains in the rural sector (Reardon & Berdegúe, 2001; Onchan, 2004; UNCTAD, 2015). Small towns have the potential to develop into hubs of local markets that can create a demand for agricultural products, as well as potential subcontracting destinations since proximity to large cities encourages rural non-farm orientation and discourages rural agriculture (Doroshet *al.*, 2018: 22- 23).

2.11 Conclusion

In several studies, income, employment, and improvements in socio-economic status have been found to result from the rural non-farm sector, even when they are small in scale. Therefore, policy makers should harness rural development to promote economic growth (Rashidpour, 2012:480). Despite differences between countries and within regions, rural non-farm activities are affected by factors such as gender, age, education, household size, landholding, location, financial assets, shocks, and food insecurity. Thus, research is needed to profile these activities to be able formulate relevant and optimal policies and they should be monitored regularly to track their strides to diagnose any challenges such as lack of credit, poor infrastructure development, up- to- date data, lack of skill and poor government support, among others, for mitigation.

CHAPTER THREE

Rural development

3.1. Introduction

Small towns and rural areas have come under the purview of policy makers due to the fact that their diverse economic activities are critical to the livelihoods of rural households. These activities include the rural non-farm sector, among which are activities undertaken by rural households in local markets and nearby towns to support themselves with additional income. These activities are now the responsibility of many governments, and multiple studies have shown that they require strategic rural development policies to thrive. Rural development policies include various programmes aimed at unlocking the potential benefits of the rural non-farm sector, providing the poor with a platform to diversify their incomes and reduce extreme poverty. Rural development is seen as a process associated with improving people's lives, enabling people to benefit from the growth of rural non-farm activities through infrastructure development, human capital growth, financial mechanisms and credit, and effective management as mentioned in many studies.

This chapter reviewed the literature with the aim of making the case for the prioritisation of rural development for the growth of the rural non-farm sector per se, which is advocated more by many development theorists than its use simply in conjunction with agricultural development. Indeed, rural non-farm activities are important in mitigating the impact of low agricultural productivity and low farm incomes associated with rural poverty (Matshe & Young, 2004:184).

The chapter is arranged as follows: Section 3.2 covers the definitions of rural development. Section 3.3 discusses the emergence of rural development by looking into historical perspectives and how it evolved over time. Section 3.4 provides an overview of rural development programmes by unearthing historical initiatives and how they influenced recent perceptions. Section 3.5 covers the contributions of the rural population globally. Section 3.6 encapsulates the challenges facing rural economies

important in influencing policy designs. Section 3.7 highlights policy perspectives for mitigating various developmental challenges. Section 3.8 concludes the chapter.

3.2. Definitions of rural development

Rural development is defined as a process with unlimited benefits aimed at improving the living conditions of rural populations by providing them with the means to control their environment. Rural development includes the improvement or development of economic infrastructure, which is the catalyst for unlocking the development potential of rural areas. Therefore, rural development involves the improvement or development of social infrastructure (Haarhoff, 2017). Gustavo and Kosta (2007); Phologane (2014) also view rural development as being associated with the improvement of the standard of living and as a prerequisite for reducing poverty among those living in remote and sparsely populated areas.

Rural development initiatives take into account agriculture, education and health, non-farm employment capacity building and the needs of vulnerable groups in rural areas. The objective is to improve the social and environmental livelihoods of rural people by improving access to assets and services and controlling productive capital in a way that enables them to achieve sustainable, equitable livelihoods. Moreover, rural development is a strategic process that emphasises the promotion of various sectors other than agriculture such as mining, tourism, recreation, and niche manufacturing. Through this process, rural areas are revitalised and strengthened by increasing their attractiveness, accessibility, value and usefulness to society as a whole, including the rural population, such that new rural occupations and land uses contribute to the improvement of regional income per capita in rural areas (Atchoarena & Gasperini, 2003; Financial and Fiscal Commission, 2018; IFAD, 2016; Hemson *et al.*, 2004; Jung, 2016). Therefore, rural development is aimed at improving the quality of life of rural residents. Furthermore, rural development involves a systemic approach in which micro- and macro-economic, social, political, cultural and technological variables are integrated and implemented as an organic and dynamic system for the benefit of rural populations (Nwachukwu & Ezeh, 2007; Kapur, 2019).

Various studies have articulated different elements that require attention in the process of rural development, which the following section investigated to discern how the process unfolded.

3.3. The concept of rural development

Rural development is particularly important for Low Developing Countries (LDCs) that have rural economies characterised by peasant farming, inequalities, poverty, and have less diversity to fend for themselves, resulting either from historical backlogs or ineffective policies. Consequently, rural development plays an essential role as indicated by the fact that progress in the fight against poverty has been stable worldwide from 1999 to 2011, but poverty rates in most rural regions remain significantly higher than those in urban areas. Rural areas face persistent challenges relating to social, economic and political issues that plague rural populations. The agricultural sector in the developing world continued to dominate rural landscapes during this period, providing 80 percent of the food produced in Asia and sub-Saharan Africa while supporting up to 2.5 billion people's livelihoods (IFAD, 2016:17).

Yet, rural farmers face challenges in accessing technology, finance, knowledge and markets, while rural natural resources are severely impacted by population growth, unsustainable farming practices, urbanisation, exploitation, mining and land use conversion. As a result of these factors, rural households have become increasingly dependent on income outside the home and therefore use distinct income generation mechanisms. As a means of addressing the many challenges in rural areas, rural development is one of the most powerful and reliable tools for broadly reducing poverty and supporting economic and social development in rural areas. In agriculture and the wider rural economy, sustained investment in improving productivity has been shown to have a significant impact on economic growth and poverty reduction (IFAD, 2016).

Therefore, it is important to emphasise the historical perspective of the development process, which will play a key role in formulating effective rural development strategies aimed at improving the livelihoods of rural residents.

3.3.1 Historical standpoints

Kay (2009: 103) highlights concerns about global warming, deforestation, the food crisis, genetically modified organisms (GMOs), agricultural fuels, food self-sufficiency, famine, rural poverty and international migration; persistence of agricultural and rural problems that the nation is struggling to correct. Rural development has been the subject of an ongoing debate since the 1920s, known as the Soviet industrialisation debate, involving opposing concepts about the roles of agriculture and of industry in the development of socialist transformation. The New Economic Policy (NEP) was then implemented between 1921 and 1929 to offset the economic decline caused by World War I, the Revolution and the Civil War that followed.

The NEP, aimed at meeting the needs of the middle peasants while minimising harm to the proletariat, was Nikolai Bukharin's method of restoring food production through free markets and high agricultural prices before inducing peasants to invest in developing production. Instead of consuming most of the surplus produced, they sell it in the market. This means that the industrialisation process must also meet the needs of farmers, or small farmers will be reluctant to release their marketable surplus. According to Bukharin, industrialisation could only progress at such a pace that the agricultural sector could produce and provide farmers with a marketable surplus. However, the consequence was that it favoured the kulaks who opposed the revolution, as they did not increase production fast enough to meet the demands of the rapid industrialisation process (Kay, 2009).

Kay (2009) pointed out that collective farming was designed to achieve economies of scale that permit faster agricultural growth, which led to Stalin's forced, rapid and massive collection of peasants. A result of collectivisation was a failure to increase agricultural production. Industrialisation was achieved, but at a high social cost, with rural living standards dramatically deteriorating and famine developing. One of the first major discussions regarding development strategies and planning in these countries was the outcome of this debate, which had a major impact on development thinking, especially in countries trying to follow a socialist development path. In the post-World War II period, industry grew rapidly, aided by the protectionist stance as well as government investment in infrastructure and loans.

However, the rapid industrialisation during the Import Substitution Industrialization (ISI) phase proved detrimental after one or two decades, resulting in the saturation of the domestic market. Early diversification problems, inability to take advantage of economies of scale, and shortage of foreign exchange limited imports of raw materials and spare parts limiting industrial growth. A further decline in agricultural production in the 1960s sparked a debate among agricultural experts who advocated prioritising agriculture, especially in low-income countries where most people live in rural areas, where labour productivity is low and rural poverty high. LDCs continue this focus on the production and export of primary products and import essential industrial products from developed countries (DCs), which led to the urban bias argument (Kay, 2009).

The urban bias thesis argued that farm policy was formulated by towns under-allocating resources such as health, education, and infrastructure to rural areas. Shortly after Indian Independence in 1947 and from about 1950, governments deliberately favoured industrialisation in contrast to agricultural production which perpetuated low growth rates and poverty in LDCs. The diversion of foreign exchange towards the import of food not only restricted growth, but also hampered industrialisation. As a consequence, small farmers were required to invest in peasant farming in order to yield higher returns than large farms that create fewer jobs and produce less per hectare than small farms. However, there was the opprobrium regarding the urban thesis that it was merely a myth with no empirical support (Kay, 2009).

By contrast, DCs today are more industry oriented because Economists in the 20th century had already forecasted a decline in agricultural production over the years. This is so because in such countries, development itself is concomitant with a monotonic decline in the relative importance of agriculture. Although, some Economists advocate the development of agriculture, they nevertheless note that it is passive because it only plays a developmental role in the following manner:

- i) A growing economy depends on agriculture to provide the food necessary for growth, as the demand for food, even at a decreasing rate, increases as income increases;

- ii) Foreign exchange is generated by agricultural exports in order to import capital goods;
- iii) Agriculture provides the bulk of the savings needed for capital accumulation in less developed countries, since it is the largest sector in these countries; and
- iv) As the agricultural sector grows, there is a greater chance that non-agricultural products will find a market.

Evidence from the developmental statutes of Asian giants India and China are an epitome of the role that agriculture plays on the development affairs of any economy where fast industrialisation is preceded by fast productivity in the agricultural sector (Gustavo & Kostas, 2007). Accordingly, development policies should promote economic growth by incorporating both the agricultural and industrial sectors. This has also been observed in South Korea and Taiwan, where governments leveraged synergy between agriculture and industry to prevent arguments between the two sectors by ensuring conditions were conducive to the adoption of new technologies and increased crop production within the farming community. Additionally, investments in industrial development were encouraged, particularly those that offered the possibility of growth and success overseas, such as agro-industries. Further, rural industrialisation was promoted in accordance with the agricultural sector's needs, by facilitating the dissemination of technological advancement to peasant farmers and disbursing rural expenditure equally. Consequently, investment in rural infrastructure was at the core of rural development. Thus, at some point, growth trickled down thereby improving equity (Kay, 2009).

Schools such as structuralism, however, have asserted that agriculture does not play a significant role in development since, in the long run, primary commodities exported by developing countries are doomed to fail as a result of the price differential between those commodities and industrial goods imported from those countries. As a result of this view, such countries are not considered to be able to grow their economies solely by producing and exporting primary commodities. In spite of the fact that some commodities, such as meat, showed an upward trend from the beginning of the 20th Century to 1980, the hypothesis may not hold true for certain commodities, some of which experienced a one-time fall in the early 1920s. Yet, there is also an argument

that agriculture has a relatively low potential for growth, and that it can have a very limited impact on the rest of the economy. The externalities that exist in different industries are therefore able to facilitate rapid industrialisation by investing in them separately (Gustavo & Kostas, 2007).

These standpoints are important in understanding the development packages that policy makers need to consider in fostering economic growth particularly for developing countries characterised by rural economies that are still not transitioned. This is important in helping us understand what constitutes rural development strategies required to bolster local economies since some authors argue that agricultural growth will be insufficient. However, the role that agriculture plays in the developmental affairs of rural economies cannot be disregarded.

3.3.2 Agriculture in Rural development

It is noted that agriculture is synonymous with rural development meaning that any successful rural development is set to contain agricultural development component (Marizin & Michaud, 2016). Since the 1960s and 1970s, the development of rural areas has always been a central issue, with key themes including agricultural mechanisation, rural-urban linkages, multiplier effects, and decentralised rural economic growth (Biggs *et al.*, 2011:78). In Africa, which has a strong agrarian sector, agriculture remains core, making agricultural development in Africa vital for rural development and cementing it as central issue in rural development programmes, particularly for institutions like the African Development Bank (ADB).

Furthermore, rural development has remained inclusive and comprehensive throughout its history, in some way incorporating approaches related to rural service delivery, primary health care, HIV prevention, education and transport. Models of rural development that lack universal acceptance often reflect changing global development trends, sometimes leading to a lower priority for investments where they are most needed. Despite the different approaches of various donors and practitioners over the past five years, rural development still relies heavily on agriculture. Indeed, agriculture is still seen as key to supporting growth and transformation in Africa and other

developing countries due to its higher relative weight in these countries (Baah-Dwomoh, 2016:12-13).

Marzin & Michaud (2016:13) also noted that in Vietnam, until 2007, rural development policies were overshadowed by agriculture as the backbone of the rural economy, but in the past, there were policies other than those encouraging investment in rural road infrastructure at the centre of the opening of the country. However, after 2007, the Communist Party's Sannong Resolution promoted a three-pillar approach to rural areas, agriculture and farmers, which led to the creation of the National Targeted Program–New Rural Development (NTP-NRD), breaking with traditional agriculture development goals. The NTP-NRD is a system based on the mobilisation and participation of the local population (Decree No. 24 of 1999), stipulating how to mobilise, manage and use individual voluntary contributions for municipal and urban infrastructure; with agriculture no longer being one. A vision of development that integrates economic, social and environmental factors is no longer the only possible activity.

Marzin & Michaud (2016) found that agriculture remains inextricably linked with rural development in Europe and it is recognised as a multi-level process, which emerged as a series of responses to the historical traditions such as the global interrelations between agriculture and society in which agriculture needed to be realigned to meet the rapidly changing needs of the society. Thus, agriculture is recognised as an important contributor to regional development. As a result, rural development was initiated due to the compression of agricultural incomes stemming from the previous modernisation period to reconstruct the disrupted socio-economic base of the rural economy as well as the agricultural enterprise. In doing so, new resources can be mobilised along with existing ones in new ways that ensure both ecological sustainability and robust economic development. In addition to enabling new multifunctional enterprises, additional networks between cities and rural areas are enabled by the combination of new resources (Van der Ploeg & Roep, 2003:2).

3.3.3 Evolvement of rural development strategies

Over the past few decades, governments and donors have generally adopted a variety of approaches to promote agricultural and rural development, with particular emphasis on technology transfer, in the hope that development will also result in reduced poverty in rural areas. Following the evolution of integrated rural development in the 1990s, donors increasingly integrated agriculture into a broader rural perspective, thereby reducing the importance of the agricultural sector. A broad range of agricultural activities are supported by agricultural donors, including research, extension, credit, seeds and policy reforms in rural areas, but few recognise the potential synergies between them and the need for effective coordination between the sub-sectors. It is generally accepted that funding for rural development has moved from a state-led development phase to a community-led development phase, with a strong emphasis on empowerment and participation in the development process, and institutions for the diversification of rural livelihoods (Baah-Dwomoh, 2016).

The benefits of the agricultural sector should not be undermined, as evidence from 2007 demonstrated that agriculture contributed to development in several ways. For instance, it can be a source of growth for national economies, especially for countries where in some instances agriculture accounts for 32 per cent of GDP. Furthermore, it provides investment opportunities for the private sector, and is a major driver of agriculture-related industries that can strengthen the rural non-farm economy (Wiggins *et al.*, 2018:18). Agricultural production has been an important source of income for many people in sub-Saharan Africa since 1993-2003 as well as an important source of food security since that time. Agriculture not only provides jobs for 1.3 billion farmers and landless farmers, but also provides income for 86 per cent of the rural population. However, it is no longer the main source of growth in transition economies such as China and India, where it contributed only 7% of GDP growth (World Bank, 2008; Gustavo & Costas, 2007). Nevertheless, there is no reason to believe that the agricultural sector is losing its importance in economic development (IFAD, 2016:25).

A significant portion of the period beginning around 2000 was focused on access to sustainable livelihoods, with a strong emphasis on the Millennium Development Goals (MDGs). These approaches were dominated by institutions such as the International Fund for Agricultural Development (IFAD), the Department for International Development (DFID) and other bilateral agencies. Rural development has been

fundamentally challenged by sectoral approaches that have acknowledged agriculture, wage labour, agricultural labour, small businesses, and a variety of other sources of livelihood for the poor (Baah-Dwomoh, 2016; World Bank, 2008).

A good example of this is the NTP-NRD adopted by the Government of Vietnam, which stipulates that in order to advance rural diversification and the rural poverty alleviation agenda, it is important to consider that rural economies do not depend solely on agriculture. In order to maximise rural development, a multi-sector approach is required with the aim of diversifying income sources, increasing total incomes, and identifying regional specialisations. The rural population should be mobilised to build new infrastructure (schools, health centers, sewers, roads, irrigation, etcetera.) by participating effectively in the decision-making process; and through adopting a multidimensional approach to poverty reduction, which includes social and empowerment issues (Gustavo & Kostas, 2007; Marzin & Michaud, 2016; IFAD, 2016; Financial and Fiscal Commission, 2018; Trivelli & Berdegúe, 2019; Baah-Dwomoh, 2016).

These recently approved initiatives include the MDGs, which aim to halve all forms of extreme poverty by 2015. An important component of the MDGs is good governance, which promotes decentralisation, strengthens local institutions, improves the quality of local decision-making, integrates local knowledge into project development and implementation, and enhances accountability. Africa has made significant progress in decentralisation since the 1990s, with many central governments initiating and intensifying the process of decentralisation of authority, power, responsibility and resources to sub-national levels (Baah-Dwomoh, 2016). IFAD (2016:13); Trivelli & Berdegúe (2019) mention the need to enable rural people to take full advantage of their opportunities and, through these initiatives, to address the many imbalances and inequalities that can have a negative impact on rural inclusion.

However, this approach has been limited by poor management, though several successful components have been described. These include clear sector policies and strategies, medium-term sector expenditure plans based on comprehensive action plans, performance monitoring systems, formal donor coordination processes, transition processes to unified reporting, budgeting, financial management and

procurement, systems; advice and consultation systems for clients and beneficiaries of government services, as well as NGOs that provide these services. The poorest will not benefit from economic growth if growth slows, including social protection designed to help people manage risk and vulnerability. The revival of peasant agriculture again dominated rural development. It has been hypothesised that improving agricultural productivity and increasing the competitiveness of small farmers and marginalised groups can significantly reduce poverty by providing employment opportunities to the rural poor and making food accessible to the poor around the world. The use of ICT for poverty reduction and awareness of climate change and its impact on vulnerable households and the poor, as well as the impact of globalisation on agriculture and fair trade are discussed (Baah-Dwomoh, 2016).

During this period, the African Union (AU) also launched the Comprehensive African Agriculture Development Programme (CAADP), in partnership with the New Partnership for Africa's Development (NEPAD). To facilitate the development of stronger programs linked to the Malabo Declaration, the CAADP process has also been put in place to help ensure effective leadership from AU Heads of State and Government to achieve results by 2025. These goals include reducing hunger, quadrupling intra-African trade in agricultural goods and services, improving livelihoods and production systems, and ensuring that agriculture contributes significantly to poverty reduction (Baah-Dwomoh, 2016). In many countries, agricultural income does not improve the livelihoods of rural people; thus, economic development activities do not focus solely on agriculture but include support for the non-indigenous rural sector as part of a holistic approach to rural development (Financial and Fiscal Commission, 2018:46).

The study sought to elucidate the importance of rural development focusing on inclusive rural transformation which ought to be adopted in many recent policy formulations.

3.3.4 Rural transformation

Research shows that in most regions, rural areas continue to face significantly more challenges than urban areas. With around 54 per cent of the world's population living

in rural areas, a trend that is gradually slowing down, the global poverty rate in rural areas being 17.5 per cent in 2015, compared to a maximum of 5.4 per cent in urban areas. In addition, 79 per cent of extremely poor people live in rural areas, a small change from 80 per cent in 2013 (United Nations, 2019). Since rural development is one of the most reliable and powerful forces for reducing poverty and building broad-based economic and social systems, sustained investment in improving agricultural productivity and development rural economy also has important implications for economic development and sustainable rural development. It is therefore inseparable from inclusive rural transformation, which will eventually be integrated into future rural development strategies and policies (IFAD, 2016; FAO, 2019).

Transforming rural areas involves increasing agricultural productivity, increasing market competitiveness, diversifying production methods and livelihoods, and expanding off-farm employment and entrepreneurship. The objective is to increase the coverage of rural services and access to infrastructure, as well as to facilitate, improve and influence access to related policy processes aimed at promoting more diversified rural economies and more green industry. This process will eventually lead to structural changes with wider implications for economies and societies around the world. Key elements of this change may also affect the future trajectories of rural and urban economies, both of which are critical to poverty reduction (UNCTAD, 2015:4). Desk research has shown that agriculture under structural transformation will become less important and unemployment will increase; rural exodus will stimulate urbanisation; modern industry and service economies will emerge; demographics will shift from high birth and death rates to a transition to low birth and death rates (IFAD, 2016; Dahlman, 2016).

To reduce poverty, the rural non-farm economy, farms and agro-industry will be encouraged by increasing agricultural productivity, while the importance of the rural non-farm economy, farms and agro-industry will be increased. Agricultural production thus continues to grow not only for agrarian economies, which represent 60 percent of total employment for the period 2011-2013, but is also their main source of export income. Furthermore, the agro-food industry is becoming increasingly important in countries that have completed an advanced phase of rural and structural transformation (UNCTAD, 2015; United Nations, 2014). However, such a process

encounters similar problems as rural transformation, where higher costs force policy makers to adapt rural development programmes that are inclusive. In addition, the speed with which structural and rural transformation occurs will be determined by overall economic growth, with Europe and North America, as examples, having industrialised and remodelled their economic structures for over 100 years. A similar pattern of rapid transformation has also been observed in Southeast and East Asian countries such as China, Bangladesh, and Vietnam (IFAD, 2016).

To improve rural development performance, rural development policies and strategies need to understand the country's history, opportunities and constraints, and how improving institutions can improve the country's development performance. Rural development policies and strategies cannot ignore these opportunities and imperatives. While urban development cannot be ignored, it is also important to link rural development to the Sustainable Development Goals (SDGs). To achieve the SDGs, rural development must be supported by infrastructure that enables remote areas to access urban markets and ensures that rural economies can both absorb shocks and take advantage of opportunities offered by open markets. In addition, compared to 2011-2013, rural residents have 70 per cent greater access to improved water sources, 250 per cent increase in access to sewers and 10 times more electricity. Rural development is therefore of particular importance for LDCs, where more than two-thirds of the population live in rural areas with only six LDCs having less than half of their population living in rural areas. Assuming that the rural population grows faster than in other developing countries during the period 2015-2030, this pattern will not change significantly by 2030 (UNCTAD, 2015; IFAD, 2016).

It is necessary for development strategies to utilise the opportunities offered by such a post-2015 world to achieve rural economic transformation, and therefore sustainable poverty eradication by utilising synergies between agriculture and rural non-agricultural economies in conjunction with industrial development and regional development. Emphasis should also be placed on the interdependencies between rural and urban areas so that policies have a cross-regional dimension. This approach aims to reduce spatial and gender inequalities, and builds on the unique characteristics, challenges and advantages of specific countries. It takes into account the capacity of government to implement policies and the need to build in appropriate

incentives and takes into account the need to continuously adapt strategies to the changing local and global context and build local capacity (Dahlman, 2016).

Rural non-farm incomes are ideal for sustainable poverty eradication, and they are most needed in disadvantaged areas and households. This is because many countries, particularly LDCs, continue to lack productive capacity to transform rural economies to harness entrepreneurial and institutional capabilities and production linkages which can be ameliorated by investing in physical, human, social and environmental capital, acquiring appropriate technology, and developing innovation. Thus, rural non-farm economic activities can provide investable resources for agriculture ensuring multisectoral synergies (UNCTAD, 2015; UN, 2019).

Rural development programmes aimed at stimulating the rural non-farm sector and benefiting from a multisectoral approach should therefore be reviewed. In many places, governments have stepped up their rural non-farm efforts to effectively reduce rural poverty, create jobs, provide diversified income-raising mechanisms, and fully improve the well-being of rural residents. This is evident in Brazil, where the rural population involved in agricultural activities decreased by more than 8.5 million, while the number of people involved in rural non-agricultural activities increased by 3 million, between 3.9 per cent and 5 per cent between 2004 and 2013. The country's rural non-farm sector is often overlooked, perhaps due to poor data collection or underestimation (IPC-IG/ UNDP, 2016:3).

3.4. Overview of rural development programmes

In the 1970s, McNamara, then president of the World Bank, strongly advocated a tougher approach to tackling the worrying conditions of absolute poverty in developing countries. Following this strategy, he outlined ways to reduce or eliminate poverty through an integrated approach to rural development, an approach strongly advocated by the World Bank. It defines rural development as an approach to improving the economic and social conditions of specific groups, primarily those living in rural areas, including extending the benefits of development to those who earn their living in rural areas. Following McNamara's speech in 1973, the World Bank adopted a rural

development strategy in 1975, which not only played a major role in lending in the 1970s and 1980s, but also sparked interest in agriculture during this period, resulting in significant additional donor support for agriculture and rural development (Baah-Dwomoh, 2016).

Ultimately, governments and donors view rural development as a strategy for improving economic and social conditions in rural areas, especially poor rural areas. Therefore, everyone who earns a living in rural areas should be able to benefit, including small farmers, sharecroppers and landless women. The main objective of rural development is to reduce poverty and improve the quality of life of rural residents. As such, it should be designed to explicitly support production and productivity, increased food availability and incomes, and essential services such as health, education, and improved infrastructure (Baah-Dwomoh, 2016:4).

Rural development programmes should include a wide range of activities, whether at district, regional or national levels, in addition to increasing agricultural productivity, creating employment, improving health, education and infrastructure, the expansion of communications and the improvement of housing. Rural areas require some form of coordinated development to achieve successful rural development, which understanding led to the introduction of Integrated Rural Development (IRD), a model which involves the coordination of various local actions put forward by the state. Integrated regional development is a complex multi-sectoral model whose success depends on the integration of multiple factors and the performance of many entities (Baah-Dwomoh, 2016:5).

Baah-Dwomoh (2016:15-16) notes that IRD has shown positive results since the late 1960s, as it has spearheaded much of the rural development work of most donors, and some donors have continued to promote the concept of integrated or coordinated rural development, with institutions such as the Asian Development Bank funding IRD in Africa. Consequently, many of the activities the development community has undertaken since the early 1990s have strong elements of integrated rural development, with the possible exception of the management approach. Nevertheless, the strategy does not promise to improve agriculture and productivity, as a number of important elements are envisaged for the development of new forms

of rural institutions and organisations to improve the intrinsic potential and productivity of the poor. Enabling greater land and tenancy reforms, improving access to credit, securing water supplies, strengthening agricultural research, expanding facilities and providing better public services are some of the ways these reforms can be achieved.

Since both IRD and area development projects share the same design objectives, most donors did not distinguish between the two from 1970 to about 1990. Most development projects are rural development initiatives primarily designed to serve degraded areas neglected by previous investment strategies, but many of these projects serve multiple sectors including agriculture (crops, livestock, conservation, fisheries, and forestry), water supply, health, rural infrastructure and small non-farm enterprises. Therefore, most development experts continue to argue that the whole rural development system is made up of complex interconnections and interactions, and that focusing only on agriculture while ignoring its links with other economic sectors can lead to faulty analytical reasoning. A synergistic approach to rural development has therefore been explored by development practitioners (Baah-Dwomoh, 2016).

The United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 also highlighted the importance of agriculture and adopted a series of measures to combat desertification and drought, implement planning and comprehensive management of land resources and to implement sustainable agriculture and rural development. During the 1990s, these three areas became key to discussions around agriculture and rural development and to the planning of agricultural and rural development programmes in the years to come. Ten years after Rio, the United Nations Commission on Sustainable Development (CSD) finally merged land and agriculture into a single entity at its meeting in Johannesburg. According to the basic assumptions of sustainable agricultural development and integrated land resource management strategies, rural development and investment must be coordinated with the sustainable development of the agricultural sector. To achieve greater food security and consumer food security, the rational and equitable use and conservation of the earth's limited resources for present and future generations, and the continuous improvement of rural life, we must ensure improved food safety and consumer food security (Baah-Dwomoh, 2016:27).

Baah-Dwomoh (2016) then states that upon launching the SARD initiative, member countries were instructed to develop multi-sectoral multi-plan, programme and policy initiatives that would increase sustainable food production and food security. This culminated in the creation of the NEPAD, which placed agriculture at the centre of their development process. Thus, they created the AU NEPAD/CAADP initiative, which became a symbol of African governments' commitment to addressing issues such as agricultural growth, rural development, and food security. As Africa's framework for agricultural transformation, wealth creation, food security and nutrition, economic growth and prosperity, the Comprehensive Africa Agricultural Development Program (CAADP) was adopted in 2003 in Maputo. CAADP seeks to achieve an average annual agricultural growth rate of 6 percent for Africa.

CAADP focuses on four pillars of agricultural and rural development, including expanding areas that are sustainably managed and equipped with reliable water management systems; improving rural infrastructure and trade-related capacities for better access to markets; improving food availability and reducing hunger (including responding to emergencies and disasters requiring food and agricultural responses); and intensification and adoption of agricultural research techniques to support long-term productivity growth. In addition to the four pillars, the four domains include the national clusters adopted by Rio and one or more key domains of the SARDs. In addition to the CAADP programme, FAO has produced a compendium of successful but diverse project case studies as examples of good practice cluster projects and providing an overview of other guidance for cluster action (Baah-Dwomoh, 2016).

SARD and the sustainable management of land resources can be achieved through a wide range of initiatives and contributions in five different areas. This includes research on how technological innovations contribute or will contribute to improved food production through SARD; what new institutional partnerships have been established to implement joint programmes on land and agriculture; what technological innovations have led or will lead to improved food production through SARD; what new institutional partnerships and joint working arrangements have been developed by the Joint Venture Program on Land and Agriculture; what are the examples of policies implemented by governments to promote sustainable land management and SARD;

what results have been achieved through the implementation of SARD for rural development; and what environmental results have been achieved. In general, SARD projects include components for the modernisation of agriculture, the improvement of productivity and production, and the diversification of agricultural production. Private sector participation in agriculture and the creation of supply chains contributes to job creation; the development of community-level development models to help communities manage land, environment, natural resource issues, finances, contractual arrangements, etcetera (Baah-Dwomoh, 2016).

Baah-Dwomoh (2016) highlights that these projects encompass a wide range of subsectors and activities in agriculture and are similar to the agriculture-focused IRD. To avoid project management overload, these projects recognise the importance of other sectors such as health and education in the process of regional or rural development. Agricultural projects tend to include components that are primarily agricultural in nature and place an emphasis on the management of natural resources. In addition to enhancing agricultural productivity, these sustainable agriculture and rural development projects also tested new institutional arrangements (including involving decentralised services in project management), which are capable of coordinating rural development activities, introducing policies to assist with agricultural development, or producing positive environmental results.

As with the IRD projects, these new projects had similar coverage and impacts, however, the governance structures were less complex, agriculture was firmly rooted at the centre of operations, farmers and community involvement was significantly improved, and private sector roles were clearly defined. As part of the new projects, sub- and inter-sectoral coordination was emphasised, with specific attention being placed on addressing certain market and financial constraints. A sectoral approach has become a more common way of financing rural development, and projects have sought to include all stakeholders to address the many challenges that it faces, including technology, land, financing, water management, and policy. As part of these projects, farmers, private partners, and the government are all involved in the development process (Baah-Dwomoh, 2016).

It is conspicuous that many rural development initiatives emphasised agriculture at the core and neglected other sectors by not clarifying and enunciating strategic means to harness their development. It is therefore important that we look into the recent rural development strategies by governments in achieving a sustainable rural development goals aimed at bolstering the social and economic impact of rural areas and small towns to reduce abject poverty, inequality and the astronomical rural unemployment.

Effective and strategic rural development programmes should therefore provide the means that will create a conducive environment for the rural non-farm sector to grow and harness a multisector approach to effectively eradicate rural poverty. This then requires an investigation on the measures undertaken by governments enunciated in the following section.

3.4.1 Historical overview on intervention programmes for the rural non-farm economy

Haggblade *et al.*, (2007) indicates that while it has been widely believed that rural development programmes were only aimed at promoting agricultural growth, history indicates that rural non-farm sectors have always played a significant role in rural development. It has for at least the past five decades, been recognised that the rural poor's lot can be improved with enormous energy and creativity based on Chinese and Indian inspirations. Many efforts were made in the early years of the Indian model to target small rural non-farm enterprises with varying prospects of growth. Rural non-farm economies have historically been stimulated by four strategic thrusts:

(i) Small enterprise promotion (Indian model)

This model, which was developed in the 1950s and 1960s, specifically for urban industries, became known as the Indian model. As part of its business training, management training, research, extension, marketing assistance, as well as sharing workshop facilities, power, road infrastructure, and finance, the Indian model offers cradle-to-grave support for those firms it aids. As a result of this model, Kenyan Industrial Estates were established in 1966, which eventually expanded to run the Rural Development Programme, and was eventually exported throughout the developing world, which led to its export throughout the developing world. It has also developed programmes in Bangladesh, Botswana, Burkina Faso, Indonesia, Lesotho, Malaysia, Nigeria, Pakistan, Swaziland and Tanzania (Haggblade *et al.*, 2007).

In the late 1970s, engineers began focusing their attention on cheap yet highly effective technologies, such as rice huskers, silk winders, corn mills, oil presses, windmills, and hand pumps, as well as the ubiquitous improved stove. Small business and agriculture credit programmes have also been expanded in both urban and rural areas, particularly in densely populated rural areas. A radical transformation in small business support has taken place over the past five decades to eliminate unnecessary ancillary services in an effort to increase focus and profitability (Haggblade *et al.*, 2007).

(ii) Agricultural marketing and agri-business

Haggblade *et al.*, (2007) argue that another objective is to promote agricultural marketing and agribusiness that target opportunities and constraints in certain agricultural commodity subsectors, including wholesalers, supermarkets, assemblers, and exporters, and their links with small-scale rural suppliers. A final step in the diagnostic process is to identify areas for intervention that can include marketing infrastructure, degree programmes, standards and rules of conduct to promote competition as seen in Brazil, Chile, and Mexico. Agricultural NGOs facilitate input supply, standards certification and market connections between rural businesses, farmers, and cooperatives with large companies.

(iii) Regional development

Haggblade *et al.*, (2007) then note that the third step involves the spatial allocation of resources by regional planners, public administration specialists, geographers, public finance specialists and technical representatives from ministries of agriculture, education and health to harness agricultural potential, rural markets and human settlements as well urban hierarchies and infrastructure that facilitate agricultural and non-agricultural cooperation. The group focuses on improving agricultural production, rural markets and second-tier cities by examining rural infrastructure opportunities and public education and health services needed to boost regional and local economies. The second advantage of local participation in decision-making is that limited regional investment resources can then be effectively mobilised, allocated and monitored. Finally, the Integrated Rural Development (IRD) programme emerged in the 1970s in response to the recognition that agriculture and rural industry were interconnected, health and labour were interconnected, and the management and maintenance of infrastructures were interconnected.

IRD-supported pilot projects have been implemented in more than 50 countries. There are numerous examples of these efforts, including the Bicol River Basin Project in the Philippines, the CADU Project in Ethiopia, the Lilongwe Project in Malawi, and the

Puebla Project in Mexico. As a result of their organisational complexity, administrative issues, and high costs, IRD efforts have failed in most parts of the world. The 1990s and the 21st Century have seen renewed interest in the use of local decision-making tools to stimulate local development and support local decision-making (Haggblade *et al.*, 2007).

(iv) Macroeconomic policies and government investments

In the fourth stage, the government invests in the public sector and implements macroeconomic policies similar to those adopted by many governments in the past. In Asia, for example, governments have developed policies that promote and even enforce legal compliance in rural industries. Over the years, the small business, agribusiness and local economic development camps have become increasingly aware of the potential of policy reforms, such as the Inter-American Development Bank (IDB), to support and sometimes even hamper rural non-farm economies. Government policies and investments have long played a central role in supporting, and in some cases inhibiting, the rural non-farm economy. Many people involved in the campaign said the government should limit itself to creating a level playing field, maintaining a stable political environment and providing property rights, infrastructure, education and a credit system and aside from that leave it in the hands of private organisations (Haggblade *et al.*, 2007).

The poor may be able to participate in local non-agricultural growth if they are able to participate in the equity, mitigating environmental concerns, and even maintaining a competitive advantage. Thus, experience shows that the equitable growth of the rural non-farm economy requires some form of government involvement to facilitate access to opportunities, norms, hierarchies and contractual laws so that small rural producers can do business with big companies dominating the processing and marketing of agricultural products in developing countries (Haggblade *et al.*, 2007). Historical interventions show that the rural non-farm sector is the responsibility of many governments, implying that the poor performance of the sector in some parts of the world is due to policy neglect or failure. As farm incomes play a negligible role in rural transformation, it is important to review rural development programmes aimed at stimulating the growth and development of the rural non-farm sector.

3.4.2 Best practices and intervention strategies for the rural non-farm economy

Many countries with predominantly rural economies have implemented various policies and programmes aimed at creating employment and reducing poverty, with varying degrees of success. According to a review of existing poverty reduction strategies, rural areas are underrepresented. The proposed strategies do not aim to reduce rural poverty, but to increase agricultural productivity. Some rural poor lack access to social services essential to their livelihoods and natural resource management; however, experience shows that effective approaches to addressing rural poverty and vulnerability go beyond investing in agriculture and food security. The many elements of rural poverty reduction that have proven successful include rural infrastructure, natural resource conservation, land reform, water rights, women's empowerment and non-farm employment (United Nations, 2008:4-5).

Access to reliable and high quality infrastructure and basic services is critical for poverty eradication, reducing inequalities and promoting social inclusion, which will ultimately contribute to raising the productivity of agriculture and rural enterprises, including SMMEs. It can also attract private investment in rural areas and facilitate domestic market integration. A significant increase in the rate of employment among women has been achieved in South Africa since the widespread rollout of electricity to rural households. In Bangladesh, there has been a substantial increase in rural incomes due to improvements in irrigation, paved roads, electricity, and access to credit (United Nations, 2019:15).

It is in this regard that the study sought to unearth rural developmental programmes implemented by various countries in conjunction with supporting agencies with the aim of addressing the social, economic, political, and environmental challenges supplanting the transformation of rural economies:

a) The case for small- scale community- based project: Bangladesh

Jahan & McCleery (2005) note that in Bangladesh, the government has initiated small-scale infrastructure that has produced more direct results because it is site-specific

and allows local communities to participate in decision-making, location, design, implementation, and can also be involved through mobilisation of financial and human resources at the local level, develop local capacities and monitor and evaluate the situation. A major component of the Government of Bangladesh's flood management, water conservation, irrigation facilities, and water congestion reduction project is the Small Water Resources Development Sector Project (SWRDSP), which has reduced some of the risks farmers face and has resulted in new benefits such as increased productivity, increased cropping intensity, and increased revenue. As a consequence, commercial harvests have grown sharply, including a dozen fisheries projects increasing the incomes of 80 households, dairy firms, poultry firms and nurseries for 40 households. The resulting non-agricultural activities and employment undoubtedly helped reduce extreme poverty as people used the income earned to invest in rickshaws and rickshaw vans.

As part of SWRDSP, feeders and embankment-based roads have allowed farmers to sell their perishable products and benefit from reduced transportation costs and more stable incomes, as well as creating rural markets, small food shops and roadside tea stalls. Overall, the SWRDSP improved food availability for poor people and contributed to job and income security. Access to potable water also leads to better health outcomes and lower mortality, as shown by the Kanyama Water Project in Zambia, which allows more than 60 percent of people to have more time for income-generating activities and other household tasks. Similarly, the Sirajharij Project (SP) in Bangladesh illustrates that improved village roads and other infrastructure significantly boosted educational attainment, leading to increased income-generating activities that enhanced the standard of living of poor households (Jahan & McCleery, 2005).

b) Afghanistan Rural Enterprise Development Project: Afghanistan

The Afghanistan Rural Enterprise Development Project (AREDP) was implemented between 2010 and 2014 under the Afghanistan Reconstruction Trust Fund (ARTF) to increase employment, income and sustainability of targeted local businesses. It is funded by the Afghanistan Reconstruction Trust Fund (ARTF), administered by the World Bank. AREDP is part of the National Solidarity Program (PNS) and the National Territorial Development Program (PNDA). The Kandahar and Helmand Rural

Enterprise Development Project (REDKAN and RED-Helmand) is implemented by the Ministry of Rural Affairs and Reconstruction and Development (MRRD) and has two components: community enterprise development, which provides financial knowledge and services to the community, and the provision of financial services in rural areas; and the programme management support component for the planning, management, supervision and monitoring of the implementation of all programme activities (Lyby & Rohani, 2014).

Lyby & Rohani (2014) point out that with AREDP, community enterprises have been able to increase sales and operate well with their own savings augmented by additional initial capital, resulting in increased incomes and sustainable employment opportunities for men and women. Additionally, the NSP established local Community Development Councils (CDCs) to provide infrastructure to rural communities. The number of job gains due to AREDP was reported at 751 for Kandahar and 636 for Helmand, while approximately 120 SMEs received substantial support by the end of 2013 and created approximately 1,300 jobs, 13 were female SMEs involved in domestic handmade goods.

c) Rural Enterprise Programme in Ajumako- Enyam- Essiam District: Ghana

Adjei and Adjei (2016) highlight that the first phase (1995-2002) and the second phase (2003-2011) of the Rural Enterprises Programme (PER) aimed to promote the development of competitive rural small and medium enterprises (MSEs). During the REP phase, training, technology, transfer, rural financial services (including mobilisation of credit and savings) and support for local business associations were all aimed at diversifying livelihoods and eradicating poverty in rural communities in Ghana. In addition, MSE is supported by cross-sectoral policy dialogue, partnerships and local business associations. By developing both self-employment and wage employment, REP aims to reduce poverty, improve living conditions and increase the incomes of the rural poor and women.

Experience from Ajumako-Enyan-Essiam District shows that the number of SMEs have increased by almost 40 per cent in the population of the traditionally agrarian district while the government's implementation of the Clean Energy and Rural

Electrification Program has added value to these businesses. In addition, 75 per cent of respondents reported experiencing expansion in their non-agricultural businesses, 79 per cent experienced increases in productivity and sales, 67.5 per cent were able to formally register their businesses, and 96.2 per cent had active bank accounts. Consequently, the REP intervention has brought improvements in the quality, design, packaging, and access to working capital of rural SMEs, as well as eco-friendly production techniques that make them more competitive and resilient. While the REP represents a promising model, it was dependent on information sharing for successful implementation. However, some 67 per cent of respondents were unaware of the project and local communities were not actively involved in its decision-making, planning, monitoring and evaluation (Adjei & Adjei, 2016).

d) Road impacts: Afghanistan and Uganda

UNESCAP (2016:26) reports that in 2006, the Rehabilitation of Agricultural Markets Programme (RAMP) reconstructed 49 rural roads in Afghanistan, resulting in farmers receiving better prices for their produce due to improved transportation and subsequent competitive pricing. Farmers were therefore able to export a net surplus from villages so affected. In turn, new economic initiatives were established in some areas, including mills and workshops, where opportunities for the commercialisation of agricultural products were realised. Whether or not this was a consequence of the reconstruction of roads is difficult to determine. However, it is evident that roads contributed to the growth of agriculture output.

UNESCAP (2016) further showed that rural roads in East Central and Western Uganda, which provided agricultural infrastructure and increased farmer incomes through community-based approaches, were rehabilitated, markets were built, and agro-processing facilities were introduced. A high level of community participation was critical in the rehabilitation of over 200 all-weather rural roads in excess of 3,089 km, culminating in the construction of 52 rural markets and the location of many agricultural facilities. Since 2008, there has been a 7.5 per cent increase in the share of agricultural production in the project area, leading to a 40 per cent increase in household income.

UNESCAP (2016) also demonstrated that in the Kiva region of the eastern Republic of the Congo, rural roads were critical to economic development, particularly through the development of shops and restaurants. Construction of roads stimulates the demand for construction materials and other consumer products in rural areas, complements their prices, and enhances their availability. There is now an opportunity for even the poorest people to sell goods at the market or on the street, and products such as salt and soap, which had previously been unavailable, can now be found.

e) Rural Infrastructure Improvement Project: Chuadanga, Bangladesh

As part of an Employment Intensive Infrastructure Programme (EIIP), the Rural Infrastructure Improvement Project was implemented between July 2003 and June 2010 with the objective of reducing poverty by increasing local economic development. Construction and implementation of the project were intended to increase accessibility and local employment opportunities. Both men and women were involved, but the emphasis was on employing more women because of their vulnerability and also because they are landless, assisting them in escaping the poverty trap. A variety of micro, small and medium-sized enterprises (MSMEs) have been developed by women in their communities since the inception of the project, including grocery stores, handicraft production, catering services, and other enterprises in addition to training programmes in a variety of skill development areas, including basic accounting and cooperative management, as well as courses related to MSMEs. Within the project, women were able to create small groups where they could save a small part of their income, which in turn helped more women to start small businesses. Through this initiative, women chose their own president and treasurer, through whom they received money back until the end of the project or contract, and could also withdraw their money at any time (UNESCAP, 2016).

However, such flexibility does not efficiently allow women to save enough to open new small-scale enterprises as they had other commitments such as medical bills and educational expenses which compelled more employability on the project. Nonetheless, the project brought stimulus to the local economy and also improved rural development in multiple ways. The project developed a total of 68 market stands

and rural markets and improved their construction and managed such facilities, which positively benefited women through the safeness of the trading environment. Generally, this market accessibility has enabled local suppliers, farmers, and most importantly poor women to sell their products at fair prices abroad, including in Europe and North America. Due to the eminent demand for such products, external investment was attracted; thereby stimulating employment locally and providing a social and economic incentive for further business growth (UNESCAP, 2016).

f) The case of Karakalpakstan-Uzbekistan

Karakalpakstan faces human insecurity due to the Aral Sea environmental disaster. In 2012, the government of Uzbekistan, the United Nations system, bilateral and multilateral donors and many others worked together to support the first comprehensive and integrated joint United Nations programme (support for livelihoods affected by disasters in the Aral Sea) aimed at improving livelihoods and strengthening communities, reducing health and environmental risks in the region. In spite of this, the programme underscored the multi-dimensional approach to which five UN agencies - UNDP, UNESCO, UNICEF, UNFPA, and UN - worked together to address such inefficiencies by implementing the second phase of the programme to improve the livelihoods of those affected by environmental challenges. Through an integrated and multi-level approach, the joint programme implements interventions that are context-specific, drawing upon existing local assets and resources. A component of the initiative includes activities aimed at improving access to basic services as well as creating additional income-generating opportunities and promoting the development of rural infrastructure (United Nations, 2019).

As a result of the implementation of these initiatives since 2012, 50 small infrastructure projects have been initiated in 57 communities, benefiting more than 55 000 rural people, 49.5 per cent of whom are women, providing improved drinking water, electricity, healthcare, schools, and pre-school facilities; 200 inclusive business projects and demonstration plots have been supported, creating over 300 new jobs, of which 46 per cent were occupied by women in such fields as beekeeping, sewing, crafts, food and milk processing, baking and others; several capacity building projects were conducted for healthcare professionals, resulting in the ability of doctors, nurses,

and others to deal with legal issues related to reproductive health, family planning, and stigmatisation and discrimination among tuberculosis patients. Also, community volunteers were trained in this regard, covering 32 000 households, with resulting benefits for 128 000 people. Furthermore, 1 000 volunteers were trained to promote child health in rural areas and raise awareness of respiratory, cardiovascular, and gastrointestinal diseases. In addition, a comprehensive investment guide was published and widely distributed in the region that provides extensive information on investment opportunities (United Nations, 2019).

3.5. Contributions of the rural population

Around 54 percent of the world's population lived in rural areas in 2015, which was the highest proportion on record (United Nations, 2019). OECD (2019) state that as a source of food and raw materials, amenities and ecosystem services, and a platform to increase productivity and technological innovation, rural areas play a fundamental role in OECD countries' wellbeing and prosperity. As a result of structural transformations in recent decades, rural areas also bear much of the cost, with strategies reorienting toward services that are more conducive to urban growth. In consequence, rural industries are neglected, which are susceptible to competition from lower-wage countries, as well as declines in trade. In this manner, the rural or lower density economy can be distinguished from the urban economy in three main ways. In the first dimension, distance from markets and the transportation and connectivity costs are considered. Secondly, competitiveness is particularly important in smaller domestic markets, economies that produce commodities heavily, and regions in which local firms absorb transport costs, particularly within countries. The third dimension of geography involves how local economic opportunities are shaped by natural wealth and geographical conditions.

OECD (2019) identifies three methods for defining rural areas, each with its own characteristics, challenges, and policy requirements:

- a) Rural areas within the functional urban area (FUA). These rural areas are an integral part of the FUA, which consists of an urban centre surrounded by suburban areas and its development.
- b) Rural areas where FUA is available. Although these areas are closely related to neighbouring FUAs, they may not be part of the institution's labour market. Despite the lack of integration between urban and regional economies, with goods, ecosystem services and other economic transactions flowing between them, most rural areas have developed in response to FUAs, with nearly 80 per cent of the rural population concentrated in OECD countries.
- c) Access to restricted rural areas. In these areas, linkages are largely based on the exchange of goods and services in markets, with limited human interaction beyond the countryside. There are, however, good connections in the area. Much of the local economy is devoted to the export of primary business products, which can be grown by exploiting absolute and comparative advantages, improving connectivity to export markets, matching skills to comparative advantages and improving the delivery of basic services. The political challenges and opportunities vary from place to place.

3.5.1. Employment trends

For the design of territorial policies, spatial scales are critical tools. The OECD definition opens up the possibility of international comparison and represents a valuable tool for policy makers. In areas with greater access to cities, policies in the areas of transportation, land use and housing must be integrated much more closely with the policies of those cities. For remote regions, however, policies must be tailored to address the particular requirements of those areas, while alternative regional typologies distinguish regions with access to larger cities from those with access to small/medium-sized cities, allowing for better understanding and capture of differences in linkages. Although these contributions have been significant, two key structural transformations have occurred in OECD countries, namely, the rise of global value chains (GVCs) and the embracing of the service sector. As a result, many

manufacturing jobs have moved to emerging economies where labour costs are lower, and around 70 per cent of international trade now takes place via GVCs (OECD, 2019).

OECD (2019) further states that a complex network of interconnected supply chains across countries has replaced the once localised supply chains. The share of services in value added across OECD countries reached approximately 80 percent in 2016, an increase of 15 percentage points from 15 years earlier. A changing economic geography has placed some rural areas at a disadvantage, as rural areas tend to be oriented towards large cities that have access to vast networks of skilled labour and knowledge, although increases in employment in the service sector compensate for the decline in agriculture and production. They continue to enjoy higher levels of GDP and labour productivity due to this access. Table 3.1 shows that for the period 2000 to 2016, lower density regions with access to metropolitan centres enjoyed 62% of productivity gains and employment but experienced a decline of 22% while for the period 2008 to 2016, they enjoyed only 36% suffering a large decline of 30%.

On the other hand, non-metropolitan regions with access to small/medium cities enjoyed 59% but suffered a decline of 20% for the period 2000 to 2016 and for the period 2008 to 2016, such gains declined to 37% as a result of the enormous decline of 33% in productivity and employment. In comparison to these, remote areas only enjoyed 49% of productivity and employment for the period 2000-2016, but suffered a decline of 30% while for the period 2008 to 2016, it was only 31% as a result of the fall of 32% (OECD, 2019).

Table 3.1. Share of employment in regions by productivity and employment

Share of employment in regions with	Lower density with access to metropolitan		Non- metropolitan with access to a small/ medium city		Remote	
	2000- 2016	2008- 2016	2000- 2016	2008- 2016	2000- 2016	2008- 2016
Productivity and employment growth	62%	36%	59%	37%	49%	31%
Productivity growth and employment decline	22%	30%	20%	33%	30%	30%

Source: OECD (2019).

Over the last few decades, rural areas in the OECD have suffered a greater degree of competition when it comes to tradable goods and services. It is necessary for regions with lower population density to export to other markets to increase their productivity because their internal markets are thinner and more fragmented. Despite globalisation, low-wage economies are competing vigorously for these tradable goods and services, creating new, often better-paying jobs in cities and resulting in job losses or wage adjustments in rural areas. Thus, rural economies can thrive by focusing on high value-added tradable goods and services and moving away from traditional low-value-added activities. Rural economies need to go beyond the export of tradable goods and integrate into GVCs and export services. Vibrant urban markets are likely to favour low-density areas that are well-connected in terms of transport networks, commuter flows, land use planning and the supply of goods and services (OECD, 2019).

Throughout the past decade, regions in the OECD have also been affected by the impact of global finance, as well as structural changes. In low-density areas, including remote areas and those without access to small and medium towns, there is increased dependence on the commercial sector, which produces a limited range of goods and services. In the face of external shocks, whether positive or negative, these characteristics make them more vulnerable. In mostly lower-density regions, productivity increased following crises, but layoffs were common following these gains. Inequalities can be perpetuated in rural areas if the right incentives and policy interventions are not in place. Access to high-quality broadband connections that facilitate the use of Internet-based digital services is essential for success in the new digital environment. Human capital is also needed to support innovation and keep pace with changing technological and workforce requirements. To attract and retain

residents, rural areas must maintain accessibility to their airports, roads and ports, as well as high-quality public services (OECD, 2019).

3.5.2. Changes in Rural population by countries and their economies

Table 3.2 indicates that most African countries rely on rural economies for their GDP compared to European countries, including some of the Asian countries in the study. During the year 2000, Ethiopia had the majority of its population residing in rural areas - 85% followed by Kenya at 80% and Mozambique at 71%. By contrast, South Africa relied less on rural economies with only 43% of the total population to be found in rural areas in the same year. Countries in some parts of Africa continue to be reliant on rural economies, which may be due to slow transformation, among other factors, There is monotonic decline in the rural population with Ethiopia accounting for 79%, Kenya 73% and Mozambique 64% while South Africa remained stagnant at 43% during the year 2018. The year 2019 shows similar trends with little difference as Ethiopia remained at 79% while Kenya's rural population fell slightly to 72% and Mozambique to 63%. However, South Africa continues to rely less on their rural economies experiencing a radical decline in the rural population to 33% (World Bank, 2019).

Some parts of Asia regard rural economies as an integral part of their national economies with the rural population in China accounting for 64%, 76% in Bangladesh, 73% in Myanmar and 82% in Sri Lanka while in the Philippines the rural population accounted for 54% in the year 2000. However, China is showing dramatic transformation with the rural population accounting for 41% falling even faster than the Philippines which decreased marginally to 53% in the year 2018. By contrast, Sri Lanka is showing slow transformation with the rural population accounting for 82% in the year 2018 in comparison to Myanmar, which declined slightly to 69% while the rural population in Bangladesh declined drastically to 63%. China still continues to transform with the rural population accounting for 40% in the year 2019 with the Philippines stagnant at 53%. Table 3.2 also shows that Bangladesh recognises the importance of rural economies as the rural population remained stagnant at 63% in the year 2019, as does Myanmar with its rural population at 69% while Sri Lanka continues to rely heavily on their rural economy with the rural population decreasing only slightly to 81% (World Bank, 2019).

Conversely, most European countries show advanced transformation in their national economies as the World Bank data depict that while Argentina's rural population accounted for 11%, and Belgium 3% and Canada had a slightly higher rate of 21% in the year 2000. These countries continue to have a derisory recognition of the rural economies as the rural population in Argentina declined to 8%, Belgium to 2% and Canada to 19%. However, all three countries' rural populations remained stagnant at 8%, 2% and 19% during the year 2019, respectively, continuing to show the insignificance of rural economies in their national economies (World Bank, 2019).

Table 3.2. Contributions of rural economies (%)

Country	2000	2018	2019
Argentina	11	8	8
Belgium	3	2	2
Canada	21	19	19
China	64	41	40
Bangladesh	76	63	63
Myanmar	73	69	69
Philippines	54	53	53
Sri Lanka	82	82	81
Ethiopia	85	79	79
Kenya	80	73	72
Mozambique	71	64	63
South Africa	43	43	33

Source: World Bank (2019).

It is evident from Table 3.2 that rural populations are declining or are stagnant in some parts, which may be due to policy bias towards rural economies as seen in most developed countries that are more urbanised. Consequently, rural economies may be negatively impacted by inertia to the implementation of rural development policies, poor governance, amongst other aspects, as evidenced by many literature studies. This negatively affects rural populations as the global poverty rate in rural areas stood at 17.2% compared 5.3% in urban areas while approximately 79% were living in extreme poverty in 2015, which is cause for concern as around 54% of the global population is found in rural areas (United Nations, 2019).

3.5.3. Productive structures of rural economies

For most parts of the least developed countries, which are characterised by a more rural economy, rural development has proven to be effective for their growth, because the production structure of the rural economies is linked to their diversification, while a range of business types, including formal and informal businesses and small and medium-sized enterprises, interconnect agriculture and non-agricultural activities (industry, such as mining and manufacturing, services, tourism, etcetera.). In rural areas with a more diversified economic base, higher density of intersectoral linkages and a high number of SMEs, there will be increased opportunities to create growth dynamics through social inclusion. The rural hinterland is often associated with a strong relationship with small markets, secondary towns, and cities, which results in such dynamics (Proctor, 2014; Wiggins *et al.*, 2018).

Iqbal (2017:1) affirms that considering the size, content, and nature of the rural economy, the rural sector has a substantial impact on the Indian economy. It is estimated that two thirds of India's over 125 crore of women live in the rural sector, which is home to 6.4 thousand villages with a national income of nearly 30 percent. Throughout its geographic range, it encompasses a variety of agro-economic, cultural, and social characteristics. Rural areas of India comprise a large number of economic operations involving agriculture, which is the largest segment of the rural economy. This includes cereals, pulses, oilseeds, fruits, vegetables and many other types of agricultural products. As a result, it is a important supplier of major food products, raw materials, as well as finished and semi-finished goods. Natural operations are also considered, which include forests consisting of a variety of species used for various purposes and in many ways, bamboo, reeds, bidis leaves, and lacquer. The rural economy is also characterised by rural fishing, including both inland fish and marine fish, in addition to rural industry and artisanal production. A large number of products are available, such as *khadi* and leather, etcetera. The rural sector must be given higher priority if India is to become a developed country.

The rural sector plays a critical role in poverty reduction with the rural population prone to the diversity of income generating activities and it is better positioned for future

innovations and initiatives. Otsuka & Sugihara (2019) show in Table 3.3 that among the rural sector's compendium is farming, which accounted for approximately 80% of rural income in 1996 and 40% in 2012, while the rural non-farm sector accounted for 20% in 1996 and increased to 40% in 2012 in Myanmar. Farming remains the primary source of income in Vietnam for the rural poor accounting for approximately 71.5% in 1996 and 58.5% in 2012 in the regions included in the study while the rural non-farm sector accounted for approximately 28.5% in 1996 and 41.5% in 2012, even though the Southern village continues to be agriculture dominant.

In Bangladesh however, the main source of income for the rural population comes from the rural non-farm sector and comprised roughly for 57% in 2008 and 52.2% in 2010 while farming constituted 43% in 2008 and 47.8% in 2010, as shown in Table 3.3. Rural Bangladesh is growing and transforming rapidly, evident in the substantial share of the rural non-farm sector (Gautam & Faruque, 2016). In Sri Lanka, farming was insignificant to the rural population and contributed only 18% to rural income in 2006 and a meagre 9.9% in 2014, but the rural non-farm sector contributed significantly to rural income at 72% in 2006 and then rose sharply to 90.1% in 2014. Consequent to the Indian economy, the rural sector was assumed to contribute an estimate of 30 % to the GDP in Asian countries in 2016 and accounted for 89% of the rural population (DCS, 2018; OECD, 2014; Nhung *et al.*, 2019).

On the other hand, Table 3.3 epitomises many opinions that most of the African regions have been pedestrian in transforming their economies, including rural development with rural households still dependent on the farming sector as their main source of livelihood. Otsuka & Sugihara (2019) show that rural households in Ethiopia are highly dependent on farming comprising 90% of their income in 2004, but monotonically declined to 88% in 2006 while the rural non-farm sector only constituted a meagre 10% in 2004, increasing to 12% in 2006. The high dependence on farming may be because Ethiopia committed to supporting smallholder agriculture and agricultural extension services, thus making it the backbone of its economy and a determinant of the growth of other sectors. Nonetheless, agriculture in the country has been struggling due to various external and internal problems (Welteji, 2018). Farming accounted for a large share of total income in Kenya at 60% in 2004 and grew gradually in 2007 to 61%. Nonetheless, the rural non-farm sector was also an

important component of the rural sector accounting for 40% in 2006 declining to 39% in 2007.

Otsuka & Sugihara (2019) also point out that in Uganda, rural households were dependent on the farming sector constituting 73% of income in 2003 which rose to 78% in 2009 while the rural non-farm sector dropped from 27% in 2003 to 22% in 2009, which may indicate that it is insignificant. Similarly, in Mozambique rural households were dependent on farming, accounting for 80% of incomes in 2002, but declined to 71% in 2005 while the rural non-farm sector made up 20% of rural income in 2002, which increased to 29% in 2005. The farming sector in African countries remains therefore the main source of income, thus requiring a special focus on the rural non-farm sector to reduce poverty among rural households. It is difficult to verify the importance of rural economies in Africa due to the lack of data on rural and urban parts of sub-Saharan Africa and the lack of spatial classification between rural and urban parts, which makes it difficult to assess their importance (Proctor, 2014; Winterset *al.*, 2008; Oya, 2015).

Table 3.3: Sources of rural household income in selected countries, Asia and Africa

Country	Source	Year	
Asia			
Myanmar: Farmer Households	Farm income	1996	2012
	Rural non-farm income	91%	82%
Myanmar: Landless	Farm income	9%	18%
	Rural non-farm income	68%	38%
		2008	2008
Philippines	Farm income	17%	8%
	Rural non-farm income	83%	92%
		1996	2012
Vietnam: Northern Villages	Farm income	68%	36%
	Rural non-farm income	32%	64%
		1996	2012
Vietnam: Southern Villages	Farm income	75%	81%
	Rural non-farm income	25%	19%
		2008	2010
Bangladesh	Farm income	43%	47.8%
	Rural non-farm income	57%	52.2%
		2009	2014
Sri Lanka	Farm income	18%	9.9%
	Rural non-farm income	72%	90.1%
Africa			
Ethiopia	Farm income	2004	2006
	Rural non-farm	90%	88%
		10%	12%
		2004	2007
Kenya	Farm income	60%	61%
	Rural non-farm	40%	39%
		2003	2009
Uganda	Farm income	73%	78%
	Rural non-farm	27%	22%
		2002	2005
Mozambique	Farm income	80%	71%
	Rural non-farm	20%	29%

Source: Otsuka and Suhigara (2019); Gautam and Faruqee (2016); DCS (2018).

The contribution of the rural sector is beginning to receive recognition from many governments as a larger share of the population often resides in rural areas in many parts of the world. However, it can be argued that its contribution is not sufficient considering its diversity and often being home to auspicious resources that drive many economies. Thus, it is important to glance at the challenges that overwhelm many rural economies thwarting their performance for policy considerations so that many economic, social and political challenges often found in rural areas are effectively redressed.

3.5.4. Future technologies and mega-trends driving rural change

The OECD (2019) states that the challenges facing rural communities in a more complex and dynamic environment will remain insurmountable over the long term. To ensure future prosperity and well-being for rural residents, we will need to address a number of interconnected challenges and opportunities. Globalisation, climate change, urbanisation, and technological breakthroughs are all contributing factors to these megatrends:

- Migration and aging of the population. Aging in OECD economies will continue to increase in pace, particularly outside of cities resulting in an increase in competition for talent. Rural communities will be able to better address the issues of population aging and shrinkage if they are able to offer attractive incentives and integrate newly arrived migrants. The rise of the sharing economy and increased connectivity to the internet can also provide new innovative ways to assist rural communities in solving social problems.
- Urbanisation. In OECD economies, migration from rural to urban has stabilised. In spite of this, aging populations are likely to shift the political balance of countries in their favour, particularly in rural areas that are far removed from metropolitan areas. Dissatisfaction with politics is likely to increase among those who feel left out and unheard. Rural interests should be considered in decision-making by national governments, and rural areas should foster links with cities.
- Production shifts on a global scale. In recent years, multinational corporations (MNEs) have increasingly moved their operations offshore, re-shored and outsourced across countries. To compete in the global economy by fostering innovation and promoting skill development, rural areas in OECD countries can increase their competitiveness. To improve the performance and growth of tradable high-value-added activities, it is important to open the country up to foreign investment and foster links between local start-ups, SMEs, and multinationals.

- Growth of emerging economies. In the near future, the economic centre of gravity will likely continue to shift from the North Atlantic to emerging markets. Emerging markets are expected to contribute two-thirds of global growth by 2030 and will also become major trading hubs. The demand for raw materials, food and technology will increase in OECD economies due to the growth of the global middle class. Rising living standards will increase developing countries' interest in technologies that can increase agricultural productivity, generate energy, and manage land and water resources more sustainably. Rural economies can grow significantly through the export of technical services and expertise to emerging markets. Investments and tourists from emerging markets are expected to increase. These ties are politically, socially and culturally vital to the future prosperity of the nation.
- Pressures related to climate change and the environment. The United Nations Paris Agreement sets out a global framework for action to limit temperature rise to 1.5 degrees Celsius above pre-industrial levels by 2020. Future population and economic growth could put further pressure on the environment.

3.6. Challenges engulfing rural economies

There has been a major shift in the scope and content of rural development programmes in recent decades, moving from food security to promoting a more holistic approach to rural development, including community empowerment and sustainable resource management. It was identified that the public sector lacks capacity at the local level; the rural population is not sufficiently empowered to implement rural development programmes, there is weak interaction between the parties involved in the formulation and implementation of rural development programmes, and there is a strong dependence on technical assistance within the framework of rural development programmes. In addition, there is a lack of attention to local architectural needs, insufficient consideration of cross-cutting issues, and national development efforts skewed towards urban areas where resources are over-allocated (United Nations, 2008:6).

Specifically, these challenges include gaps in rural poverty eradication, including a lack of adequate data, and in particular data disaggregated by relevant factors, to inform policy; insufficient investment in agriculture and rural development; lower and insufficient formation of human capital relevant to rural livelihoods; limited opportunities to generate non-farm income; insufficient production capacity and the transformation of agriculture and sustainable rural transformation more broadly; persistent gender inequalities; lack of social protection; insufficient basic infrastructure and services; insufficient or weak adaptive capacity and resilience to cope with the adverse impacts of climate change and disasters; and lack of effective rural institutions and sufficient resources (United Nations, 2019: 2-3).

The living standards of the rural poor and their conditions are widening from their urban counterparts (Kapur, 2019; Dahlman, 2016). This may be because rural economies face challenges including limited energy, transportation and information, including ICT infrastructure, potable water supply systems and garbage and other solid waste that have been left to individual activities (Economist Intelligence Unit, 2015; Abdullateef *et al.*, 2017; United Nations, 2019; Rajović & Bulatović, 2017). House of Lords (2019:7) emphasise that if rural economies and communities are to flourish, challenges such as unaffordability of housing by comparison with towns and cities; slower broadband and inadequate mobile coverage; declining service provision, for example public transport and banking facilities; and businesses facing skills shortages and difficulty in accessing finance must be addressed. No resident or business should be disadvantaged unreasonably by their rural location. In addition remote areas are faced with limited market sizes constraining their set of economic opportunities, which also renders rural SMMEs unable to compete with their urban counterparts (Andres *et al.*, 2018; Economist Intelligence Unit, 2015; Abdullateef *et al.*, 2017; Kapur, 2019; Karimi, 2018; Andres *et al.*, 2018; Financial and Fiscal Commission, 2018; House of Lords, 2019; Leuba, 2017).

Kapur (2019); Abdullateef *et al.* (2017) further indicate that there is often bias in gender distribution with male children frequently encouraged towards acquisition of education. In contrast, girls are forced to remain confined within their homes and trained for household duties, further perpetuating gender inequalities. Quite often limited financial resources of local budgets do not allow the maintenance of infrastructure facilities at

the required level, which in addition to lack of incubation centres, low access to finance, curtailing of private investment, bank loans for start-ups, geographic isolation, high transportation costs, inefficiencies, lack of competition, and severe climates all contribute to the high costs of living in remote areas, causing rural residents to face challenges that impede their ability to participate in rural non-farm activities and limit the income they can generate. Additionally, remote areas are severely disadvantaged due to low population densities, a lack of formal sector employment, and an insufficient tax base, which forces them to depend heavily on external aid. Lack of proper data collection capacity also derail investment decisions and policies (Financial and Fiscal Commission, 2018;2018; Andres *et al.*, 2018; Karimi, 2018; Zinchu *et al.*, 2018; Zinchuk *et al.* 2018).

The Economist Intelligence Unit (2015:2) adds that a lack of political will, weak rule of law, and a lack of enforcement of rural policies exacerbate the lack of focus on rural development. The agricultural sector experiences significant underinvestment due to restrictions on the use of land and a lack of adequate documentation regarding land rights. Without sound and strategic rural development policies, rural economies are vulnerable to failure, preventing the growth of many rural non-agricultural sectors to potentially create jobs, provide opportunities to generate income, sustain livelihoods, compete optimally with urban sectors and to be able to be sustainable. These problems of sustainable rural development must be solved integrally with an emphasis on each specific area, because a generally recognised universal model of sustainable rural development does not exist, but depends on the potential of local development and the socio-economic environment (Rajović & Bulatović, 2016:267-8). Some of these problems may be solved by advances in information and communication technologies, agricultural technologies, and energy technologies (Dahlman, 2016).

3.7. Policy implications

Besides addressing the problems of rural unemployment and poverty, rural development also plays an important role in promoting the growth and development of rural non-farm industries. For Latin American (LAC) countries, the 2030 Agenda recognises the importance of a multi-sectoral and multi-level approach to achieving the SDGs, in particular understanding the interplay between rural and urban areas. With this in mind, rural development should be approached with a focus on economic, social and environmental factors to bridge the urban-rural divide, while designing models that promote economic growth through urban- socially inclusive rural areas (FAO, 2019; Trivelli & Berdegú, 2019).

FAO (2019) states that in policy discussions, rural areas are less visible than urban areas which do not consider rural areas' contributions to economic and social development or their potential to contribute to achieving the 2030 Agenda. To achieve the 2030 Agenda, all regions, whether urban or rural, must recognise that infrastructure needs, social protection policies and gender equality are interdependent in all countries and that citizens have the same environmental and fundamental rights. It is imperative to strengthen, modernise, and integrate rural areas economically, socially, and environmentally to achieve the 2030 Agenda.

Several major transformations are underway in the region today that require a new consensus. These include environmental, food, and technological changes, all of which will contribute to the growth and sustainability of rural communities. Additionally, rural areas must be preserved as repositories of resources, food, and opportunity for the economies and societies of the region and world. For rural areas to be transformed, global society must recognise rural areas and demand that they play a more important role in regional development. This will be accomplished by recognising their demographic, cultural, productive and economic identity; their close relationship with natural capital, ecosystems, and environmental services; and their interdependence with urban areas. These include environmental, dietary and technological changes, all of which will contribute to the development and sustainability of rural communities (Trivelli & Berdegú, 2019; House of Lords, 2019).

The underdevelopment of rural areas and the vast inequalities facing rural residents should also be acknowledged (Trivelli & Berdegué, 2019; House of Lords, 2019). FAO (2019); UNCTAD (2015); United Nations (2019) assert that even if rural areas perform worse than urban areas, it is important not to miss the opportunities that rural areas can offer to achieve the 2030 Agenda. This is why it is imperative to:

- Support non-agricultural employment in rural areas through investment in agricultural and non-agricultural activities. These policies aim to promote innovation, funding, and investments targeted at promoting rural identity, including tourism, gastronomy, crafts, training, and hospitality for domestic animals. In light of vulnerability and variability of income, it is necessary to diversify activities to reduce the risk associated with these characteristics. Modernising agriculture may reduce the need for survivalists to diversify their income, but it must also be supported by discretionary entrepreneurs so that a more dynamic non-agricultural sector will be created to cope with periods of low demand for agricultural labour. Agricultural processing is one means of achieving this, and women in particular benefit from it.
- Support the development of infrastructure, develop electrification and sanitation and systematically improve physical and telecommunication connectivity, the creation of centres offering comprehensive primary healthcare to rural populations in a perspective of territorial development. Infrastructure investments and interventions should be organised according to a supply-response strategy, focusing primarily on investments and interventions that support efficient supply generation (business support, training, financing and access to inputs), create demand for investment in infrastructure, engender local linkages in the rural economy, increase supply capacity so that local producers can benefit from economies of scale and thrive in competition with urban areas.
- Provide social protection programmes by designing programmes that combine the strengths of the inclusion of rural production and territorial development,

emphasising the management of risks associated with agricultural activities, increasing mobility and facilitating access to credit.

- Enhance rural household access to low-cost, non-industrial products and promoting healthy eating habits.
- Increase productivity and avoid underutilisation, for which it is necessary to increase access to land and secure tenure. Providing legal certainty and resource management to promote productive investment and sustainable land use should be part of the expansion of land tenure and governance instruments.
- Provide optimal plot sizes in each location, taking into consideration agro-ecological, socioeconomic, and environmental factors.
- Promote the effective inclusion of women in the productive economy through a range of concrete measures designed to address gender disparities in access to land, productive assets, and markets. It is also necessary to put in place practices and policies to ensure that women are relieved of the burden of unpaid work and to ensure their full and effective participation in the labour market by promoting programmes and measures to overcome the inertia of women in poor rural areas, a virtuous circle of public-private institutional partnerships, as well as raising awareness and preventing violations of women's labour rights. In this way, the shared responsibility of the family will be promoted, the rights of women will be protected and the diversity of adults responsible for the care of children and dependents will be recognised.
- Support research, development and innovation (RDI) to develop agricultural production technologies, energy and other opportunities to support innovative activities in rural areas, as well as promote sustainable environmental practices, improve production and reduce greenhouse gas emissions in the countries concerned and promote the sustainable use of land and marine resources.

- Establish institutional transformations and inter-institutional strategies aimed at achieving sustainable development goals by setting goals and timelines for resource transfers.
- In order for rural areas to experience economic transformation in the short term, adult education is essential. Basic skills, vocational skills, financial literacy, and business skills are the top priorities. Business skills will become increasingly important as the transformation process progresses. Provide follow-up training to local employees by employing skilled workers in skilled positions, allowing them to apply their skills in long-term operations.

Coordination of rural economic policy is essential, but responsibility is typically shared between a number of government agencies and ministries. To achieve this objective, an effective interdepartmental coordination mechanism, headed by the prime minister or someone at the highest level of government, could make a significant contribution (Finance and Fiscal Commission, 2018:47). There is also a strong case for decentralisation, but this is often constrained by financial and human resources, as areas far from markets are also far from public institutions, which limits policy effectiveness and efficiency of local action. Cooperatives, producer associations and women's networks are therefore crucial for accessing finance, inputs, equipment, new technologies, training, information, markets, etcetera, and to strengthen the bargaining power and economies of scale of small producers. Additionally, they could contribute significantly to the transformation of rural areas if they are organised as a component of rural development (UNCTAD, 2015:20).

Trivelli & Berdegú (2019:5) confirm that LAC envisages that the transformation of rural areas in the 2030 Agenda should reflect the SDGs including eliminating poverty and hunger, improving the health and education of citizens, promoting gender equality, improving water use and access, promoting clean energy, creating decent employment and growth, innovating in production processes and infrastructure, reducing inequalities, building sustainable cities, achieving sustainable production and consumption, fighting climate change and protecting the sea. Consequently, the development of urban areas should be synchronised with the development of rural

areas, which means that ignoring rural development means denying the development of the planet as a whole. It is urgent that new management tools be developed as well as improving, expanding, and innovating rural services to take advantage of the new matrix of economic opportunities, such as increased connectivity and digitisation, as well as facilitating the creation of pathways for change and incentives that will enable SMEs and family farmers to adapt to new demands and take advantage of new opportunities.

However, rural development programmes are often poorly evaluated, primarily because policy makers place more emphasis on policy making itself and on organisational and political legitimacy rather than rigorous post-hoc evaluation to maintain empirical records (Hwang & Lee, 2017). A more complex topic is economic development in rural areas as well as rural economic activities, but the lack of accurate or current data on rural areas can make it difficult to estimate rural economic performance, which is why agricultural production can be used as a proxy indicator of rural economic performance, although few countries experienced a decline in agricultural production. There should, however, be a more comprehensive approach to development in rural areas that incorporates not only agricultural development, but also relocating non-agricultural production and services (including manufacturing and processing) to rural areas to create rural-urban connections. Moreover, rural development cannot be dependent solely on job creation and income improvement; otherwise rural residents experiencing an increase in income may simply move to urban areas to enjoy better access to consumer goods and modern services (Thanh & Duong, 2016; Wiggins *et al.*, 2018).

Thanh & Duong (2016) highlight that in the case of selected rural areas in ASEAN Member States (AMS), this migration may also be caused by an insufficient allocation of information and cultural infrastructure resources. It is important to note that droughts and typhoons may adversely affect rural economic activity and agricultural development, affecting crop production and income in particular. Due to these facts, rural development in the next decade should include strategies for improving agricultural sustainability, as well as re-evaluating industrial activities as they affect agriculture and rural areas, which will include ways to increase resilience to adverse climate change. The capacity of the state must be utilised for the implementation of

good policies as well as for the prevention or elimination of bad policies (Ravellion, 2008:18).

Preference on the strategic policies is dependent upon regional differences, demographics and the type of economic activity requiring a holistic approach that will see inhabitants take part in the decision-making processes and ensure earmarked policies are tailored. Governments need to support rural non-farm activities and reduce the barriers to income diversification of farm households. The government's support for rural non-farm activities can be linked to the need to support farming because people may leave farming due to derisory incomes which may prove fatal for rural economies, as this will ensure food security and sustaining the natural environment. Thus, support for rural non-farm activities will help farm households continue to maintain their incomes. In fact, over the last 50 years, increasing rural non-farm incomes has been one of the main objectives of agricultural and rural policies in South Korea, but they have not been prioritised. This then requires collaboration between central government, local authorities, and rural people to develop community businesses that can be supported by rural policy measures that they have participated on (Jung, 2016; Hasanov *et al.*, 2018; United Nations, 2019).

Governments, particularly in developing countries, are strongly urged to support the development of rural areas by improving governance, supporting long-term planning and industrial policies, and by increasing investment in education, health, infrastructure, technology, and innovation as well as agriculture and climate change mitigation and adaptation. By connecting customers, producers, and providers via digital technology, entrepreneurs are able to create value (World Bank, 2019:5-6). Rural and urban populations, regional populations within a country, rural men and women, and ethnic minorities living in rural areas, may result in social and economic inequalities. National planning processes should be aimed at addressing these issues. A process of rapid change and transformation may result in the emergence of inequalities, gaps, and poverty that are inherited from past political decisions and social structures (Proctor, 2014).

Rural development policies should be readjusted to meet unforeseen circumstances and regularly monitored and evaluated to ensure that new plans address the specific

challenges of each region. It is essential to monitor changes in rural areas over time, such as changes in household demographics, farm size, and off-farm economic activities. Furthermore, there should be engagement and reinvestment in national statistical systems and the development of mechanisms for incorporating findings into local planning processes in order to accelerate rural development (Proctor, 2014).

3.8. Conclusion

Poverty and unemployment are often pervasive in rural areas and small towns due to their rigidity caused by poor access to services, inertia to policy implementation and seclusion in many countries. In the light of this, many literature reviews acknowledge and realise that rural development should be a holistic process addressing every specific problem pertinent to each region involving participation from all organisations and communities to formulate tailored programmes that aim to invigorate rural amenities, capacitate rural dwellers, facilitate connectivity networks, urge rural industrialisation, entrench protection for rural enterprises from competition, and formulate by-laws for revenue generation and facilitate the establishment of financial institutions to effectively reduce poverty, unemployment and uplift the wellbeing of rural dwellers. This then means that the rural non-farm economy should be harnessed as it plays a pivotal role in providing employment opportunities due to its heterogeneity and can provide improved incomes for rural dwellers that can satiate their well-being and ultimately relieve poverty given that the agricultural sector has been failing in terms of GDP contribution and addressing such challenges.

However, many of the literature reviews purport that growing the rural non-farm sector will require the implementation of rural development programmes and policies oriented towards the development of infrastructure in terms of roads, health and education facilities, ICT, etcetera. Subsequently, skills and training programmes play an integral role to capacitate rural dwellers to manage and sustain their activities to effectively create jobs and reduce poverty. The study then found that in the light of addressing all the challenges alluded to, many countries took steps to formulate rural development programmes where supportive organisations work in synergy with local institutions formed to ensure effective administration, monitoring and evaluation of these programmes.

These local institutions play a critical role in overseeing their successful implementation and ensuring accountability so that the funds that are earmarked for selected programmes are expended accordingly. This is necessary because the rural sector is diverse, offering a compendium of strategic multisectoral components that are key in national economies, including resources that contribute immensely to GDP growth. In this regard some theorists state that rural areas will be home to future innovations due to their spatial benefits, which may give them greater expediency over urban areas in the upcoming years regardless of the downward trend observed in the rural population.

CHAPTER FOUR

Rural non- farm activities in South Africa

4.1. Introduction

Past racial segregation in South Africa led to widespread rural poverty and inequalities that persist and continue to pose socio-economic challenges for the poor and vulnerable even today. This policy emanated as early as 1960 where several million Africans had been reallocated into the homelands reflecting the dynamics of capitalist development in the region (Sharp & Spiegel, 1985:133). In the 1920s, South Africa was characterised by racial capitalism with a forced black labour force that was denied political and social rights. Subsequently, differentiated welfare and schooling arrangements were part of this model, while legislation restricted blacks' access to land, restricted their urban residence, prevented competition for skilled labour against whites, and disenfranchised blacks (Christie & Gordon, 1992). The rural sector in South Africa therefore consists of two distinct components: a predominantly white-owned, capital-based, commercial agricultural sector and a subsistence-oriented, low-productivity black-owned sector (Natrass, 1983; Mbongwa & Muller, 1992).

Natrass (1983:9) found that the impoverished African rural sector's ability to support local residents had declined steadily over the past half century and there seemed little hope of reversing this trend. This was because agricultural activities in the former homelands contributed a minuscule amount to household incomes thereby pushing indigents to depend completely on earnings of exported labour, state pensions and civil servant salaries (Bekker *et al.*, 1992; Mbongwa & Muller, 1992). As a result, many farmers choose to diversify their sources of income and engage in a range of non-profit, non-farm income-generating activities (Oduniyi & Tekana, 2019).

The chapter provides an overview of the nature of the rural non-farm sector in South Africa in terms of its contribution to employment and income generation to rural livelihoods. The study sought to find out the types of rural non-farm activities during the apartheid era and after the democratic dispensation to gauge its importance. Subsequently, the study looked at the policies that shaped the rural non-farm economy

during apartheid and post-apartheid era. The Reconstruction and Development Programme (RDP) recognise that small farms and rural non-farm businesses have the potential to increase employment and income for the poor in South Africa (Machethe *et al.*, 2015). Kirsten (1996) further argues that a land reform programme could be beneficial in increasing farm income, which may lead to the growth of the rural economy and in turn contribute to the growth of the rural non-farm economy.

The chapter is arranged as follows: Section 4.2 looks at the causes of rural poverty in South Africa during the apartheid era. Section 4.3 examines the historical background and documents the various types of rural non-farm activities that took place in the pre-1994 period. Section 4.4 discusses rural non-farm activities in the post-apartheid era. Section 4.5 provides an account of the size of rural non-farm activities by Province for the period 2008-2019. Section 4.7 concludes the chapter.

4.2. Causes of rural poverty in South Africa

Nattrass (1983) identified five factors that contributed to increased levels of poverty in South Africa's black rural areas due to racial segregation. These factors include lack of arable land for blacks; lack of economic aid; technological failure; rapid population growth; and finally, the growth and persistence of the migrant labour system. In terms of land supply, the 1913 constitution and its 1936 amendments restricted nearly four-fifths of South Africa's population, resulting in much lower land-to-population ratios in rural Africa than in other parts of the country. The combination of these factors limited subsistence farming, made meaningful reform nearly impossible, and resulted in perpetual black poverty.

Table 4.1 clearly exhibits the bias against black rural South Africans brought by rural separation as 28.80% of the white population owned 83.75% of farmland compared to 71.20% of the black population who owned a miniscule land of 16.11% in 1989. White dominance was palpable in the whole country as they controlled about 85.50% of farmland while black people owned just 14.50%. The developed areas benefitted disproportionately from government budgetary assistance and transfer payments. The homelands' access to basic welfare services such as potable water, energy, health, education and housing was inadequate and, in many cases, abject. These regions of

South Africa, in fact were characterised as most in need of welfare and as least able, administratively and financially, to meet such needs (Mbongwa & Muller, 1992; Bekker *et al.*, 1992).

Table 4.1. South Africa's farmland, rural population and farmland density, 1989

	Total	Developed areas (White)		Developing areas (Black)	
South Africa ('000 000 ha)	119,60	102,26	(85.50%)	17,34	(14.50%)
Farmland ('000 000 ha)	99,17	83,06	(83.75%)	16,11	(16.25%)
Rural population ('000 000)	18,40	5,30	(28.80%)	13,10	(71.20%)
Farmland/person ha	5,40	15,70		0,20	

Source: Mbongwa & Muller (1992).

The policies of segregation and economic deprivation forced black people to eke out a living in the rural areas and homelands. The following section looks at different types of rural non-farm activities that rural people conducted in the pre-1994 period.

4.3. Rural non-farm activities conducted in the pre-1994 period

Aside from wage labour and subsistence crops, many individuals engaged in a variety of minor activities in-between their main household occupations, which were of small scale and were associated with meagre and irregular incomes for the purpose of augmenting their incomes (Mpanza & Nattrass, 1987). This was because subsistence production could not meet the needs of the rural population (May, 1985). Thus, survival for those without formal jobs depended on getting casual work and on self-employment while some were involved in producing goods for sale, others had temporary work (May, 1989). Those producing goods for sale undertook activities such as transforming locally available products such as grass, reeds and wood into items for sale and were engaged in preparing food and home-brewed beer in exchange for a portion of incomes earned largely elsewhere. Some drove private taxis while others were healers and herbalists, made candles, shoes and whips for sale, or cart water from streams for sale in the subserviced villages. Temporary jobs included looking after children, doing washing, plastering and working in the fields of others (Moll, 1984).

Consequently, rural non-farm employment may in some instance be exclusively limited to the informal sector depending on the geographical dispensation of the area. Many of these activities required low skills levels, low input costs, involved small production

process or were simply services carried out mainly by women in between the daily chores (May, 1985). Some popular income-generating activities including sewing, knitting, and crocheting were popular followed by the manufacture of handicrafts and the sale of second-hand clothing (Gandar & Bromberger, 1984). The items produced are generally sold at the point of pension payment, which takes place every two months (Murphy, 1990). It would seem therefore that forces of economic necessity pushing families from rural areas increased to the point where household subsistence was almost entirely derived from economic activities and employment in the urban areas (May, 1989).

Nene (1982) undertook a study in 1980 on the role of rural women in Mzimela in Mtunzini District as they formed the major population group that remained behind in their communities due to male migration. Rural women were compelled to keep their families together and take care of their households while engaging in economic activities like agriculture and handicrafts. Although these activities were both arduous and time-consuming, they were necessary for survival. Rural non-farm activities played a prime role in the livelihoods of households and women were expected to make a contribution towards the maintenance of their families. Table 4.2 shows that for the 121 participants of the study, rural non-farm activities contributed as much as 60.33% to the households of Mzimela. The involvement of women in handicrafts was dominant at 45.45% followed by sale of crops at 14.05% and wage employment, which was minimal at 0.83% for the year 1980. Nonetheless, subsistence agriculture also played a critical role with as much as 39.66% engaged in it.

Table 4.2. Types of economic activities conducted in Mzimela, Mtunzini District, 1980

Economic activity	N	%
Wage employment	1	0.83
Crops	48	39.66
Sales of crops	17	14.05
Handicrafts	55	45.45
Total	121	100

Source: Nene (1982).

Moll (1984) presented a detailed research study at the Carnegie Conference on Poverty that focused on the Qumbu-Lower Roza area, which showed that as elsewhere in the former Transkei region, money sent home by migrant workers constituted the single most important source of income, and that local employment

opportunities, both in the formal and informal sectors were very limited. Survival for those without formal jobs depended on obtaining casual work and on self-employment and such informal work was temporary, seasonal and often short-lived. It realised extremely low incomes, with people often involved being harassed by police, and usually required to pay a small tribute to local political authorities. Table 4.3 shows that for a study conducted in 1984 in the Qumbu, Lower Roza area in Transkei involving 53 participants, selling of foodstuffs was most important activity accounting for 32.08%, followed by grass work at 26.42% and selling of clothes at 24.53%. Agricultural production was a minor activity due to low rewards and output and the effect of a long drought.

Table 4.3. Commodity production for sale in Qumbu-Lower Roza in Transkei, 1984

Activity	N	%
Bricklaying	2	8.70
Foodstuffs	17	32.08
Grass work	14	26.42
Clothes, sewing	13	24.53
Firewood	7	13.21
Total	53	100

Source: Moll (1984).

Mpanza & Natrass (1987) undertook a study in 1994 that focused on poverty, migration and unemployment in Dumisa to gauge the economic position of the family in general and that of the labourer in this area. In a survey that included 71 participants, it was found that many individuals undertook marginal economic activities such as handicrafts (42.3%) followed by hut building (21.1%), selling of foodstuffs (16.9%) and vending and trading (12.7%) in 1984, as shown in Table 4.4.

Table 4.4. Casual labour activities in Dumisa, 1984

Economic activity	Frequency	%
Hut building	15	21.1
Herbalists	4	5.6
Vending & trading	9	12.7
Selling food stuff	12	16.9
Handicrafts	30	42.3
Other	1	1.4
Total	71	100

Source: Mpanza & Natrass (1987).

4.3.1. Income levels generated from rural non-farm activities

A lack of soil and poor rainfall in 1984 made the returns from agriculture less attractive for most rural households, less attractive even than those from unskilled jobs in the informal sector (May & Nattrass, 1986; Moll, 1988). In fact, Murphy (1990), in a study titled "Gender Constraints to Increased Agricultural Production Faced by Rural Women in Uzumbe Nhangwini Ward District", found that women often faced structural constraints imposed by gender inequality. In the study, the work performed by women was divided into three main parts, namely, survival tasks, household tasks and income-generating tasks. Indeed, women are less dependent on migrant remittances by family members and, on the other hand, female-headed households did not benefit from remittances generated by their spouses to meet the cash needs of the household. These women are therefore in favour of lucrative income-generating activities other than education which can generate income ranging from R12 to R300 per month, depending on the type of activity carried out by the rural person, as shown in Table 4.5. These activities are not carried out on a regular basis and it is difficult to quantify the income earned.

Table 4.5. Income generating activities of female respondents in the farming survey in Nhangwini Ward, Uzumbe District, 1982

Activity	Involvement	%	Monthly income (R)
Sewing/knitting/crocheting	8	36	R25 to R100
Zulu mats/handicrafts	4	18	R12 to R30
Second-hand clothes	4	18	R50 to R300
Selling food	2	9	R15 to R200
Fortune telling	2	9	R200
Teacher	1	5	R600
Cleaner	1	5	R40

Source: Murphy (1990).

Income from rural non-farm activities was preferred compared to agriculture, which was considered not profitable. Subsequently, rural non-farm activities provided multiple avenues of generating income but such income depended on the type of activity that was undertaken. Income levels varied between the different types of activities for example, selling second-hand clothes provided an income of R300 followed by selling food and fortune telling at R200 while sewing yielded R100. However, to better understand the contribution of rural non-farm activities the following

section seeks to look into their contribution in the post-apartheid era such that effective rural development policies may be designed and implemented to enhance the sector.

4.4. Rural non-farm activities in the post-apartheid era

This section reviews studies conducted in different rural areas in the post-apartheid era. Such rural areas include those in Dr Ruth Segomotsi Mompati and Ngaka Modiri Molema District Municipalities in the North West Province. Furthermore, rural areas in John Taolo Gaetsewe and Namakwa District Municipalities in the Northern Cape Province are also included as well as the Vhembe and Capricorn District Municipalities in the Limpopo Province. It also focuses on Umgungundlovu and uMzinyathi District Municipalities in KwaZulu-Natal Province and Amathole and Chris Hani District Municipalities in the Eastern Cape Province.

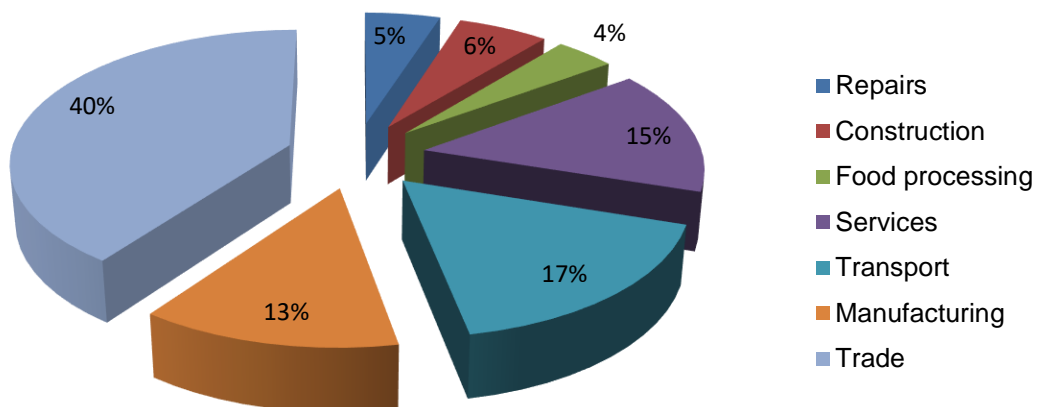
4.4.1. Types of rural non-farm activities identified in past studies

Even in the post-apartheid era, agriculture is a relatively small contributor to the rural economy. The explanation may be derived from cross-country evidence that indicated a strong relationship between unequal land ownership and employment shares in agriculture given GDP per capita (Eastwood *et al.*, 2006). Small-scale agriculture, however, is a significant source of employment and political stability in South Africa, therefore it cannot be ignored (Matungul *et al.*, 2002). Nonetheless, rural non-farm employment in rural areas of South Africa is more prominent and need to be included in the estimates of potential livelihoods in comparison to subsistence farming (Kirsten, 1995; Kirsten, 1996; Daniels *et al.*, 2013). An important advantage with rural non-farm activities is that opportunities are spatially diverse (Paumgarten, 2007). Hamid (2008) stipulated that many of these rural non-farm activities tended to be closely linked with agriculture.

Kirsten (1995) undertook a study in 1995 that focused on rural non-farm enterprises in 34 villages in the North West and Northern Cape Provinces to analyse the diversity and behaviour of non-farm enterprises. However, only 70 of the 1479 businesses were contacted for the purpose of determining more detailed characteristics such as the size of the business and the number of employees. Figure 4.1 shows that commercial

and trading, which included general dealers, cafes, spaza shops, bottle stores and butcheries dominated at 40%. This was followed by the transport sector at 17% comprising mainly taxi operators and lorry drivers. Based on the findings of the study, all the enterprises in each province employed fewer than 10 workers, with around 90% employing fewer than 3 workers.

Figure 4.1. Rural non-farm businesses, 1995



Source: Kirsten (1995).

Manona (1999), on the other hand, undertook a study in 1996 focusing on the investigation of de-agrarianisation and rural employment networks in Melani Village in the Eastern Cape Province's rural livelihoods. The study focused on the survival strategies of rural people who had limited or no access to land. Data were collected from a stratified sample of 100 households. Table 4.6 shows that the majority of those rural residents were not dependent on one single source of income but on a combination of various means of survival activities to generate income. The study found that rural non-farm activities constituted 83.05%, with petty trading accounting for more at 30.51% followed by carpentry at 11.86%. Rural households engaged in farming in the form of selling livestock on certain occasions but that this only constituted 16.95%, which meant that subsistence agriculture continued to be snubbed. In fact, MuCusker (2002) found in 1998 that subsistence farming in the villages of the Northern Cape was not prioritised for income derivation but for the

production of food mostly needed to meet subsistence needs, which is why rural households considered diversifying into rural non-farm activities.

Table 4.6. Type of informal activities in Melani village, 1996

Type of activity	Number of cases	%
Petty trading	18	30.51
Selling of livestock	10	16.95
Household repairs/ carpentry	7	11.86
Building houses	3	5.08
Operating as backyard mechanics	3	5.08
Sewing clothes	3	5.08
Carting goods	3	5.08
Domestic work	3	5.08
Diviners	2	3.39
Brick making	2	3.39
Hair dressing	2	3.39
Selling wood	1	1.69
Selling crops	1	1.69
Lending money	1	1.69
Total	59	100

Source: Manona (1999).

Aphane *et al.* (2010) found not dissimilar results in a study conducted in 2009 entitled “Livelihood strategies of rural women in the Eastern Cape and Limpopo Province aimed to classify the households’” income earning strategies. Among the generic livelihood categories identified were smallholder farmers working primarily with backyard gardens, communal lands, or private lands (particularly those who benefitted from land reform). As a result, farm workers mainly relied on wage-earning opportunities in informal agriculture and in commercial agriculture, whereas informal traders traded agro-food products at informal roadside markets. According to the study, a household member might occasionally straddle two or more categories in order to meet their financial obligations.

Aphane *et al.* (2010) found that male-headed households dominated the smallholder farmers category, except for wage employment on farms and informal agro-food trade in Limpopo. In the case of smallholder farmers, it is interesting to note that as a share of all smallholder households, women comprise substantially different shares across the two provinces. Table 4.7 shows that livelihood categories by gender show about 27.42% of women were involved in informal business and other rural non-farm activities in the Limpopo Province. Similarly, in the Eastern Cape Province women preferred farming instead of informal business and other rural non-farm activities,

which constituted 15%. As a result, women depended mainly on farming but lagged behind males pointing to the perpetuated lack of landownership and capital.

Table 4.7. Household-identified main livelihood categories by gender and province, 2009

Main livelihood activity	Limpopo		Eastern Cape		Total
	Female	Male	Female	Male	
Smallholder farmers	27	54	12	73	166
Farm workers	63	51	5	27	146
Informal business and other	34	6	3	14	57
Total	124	111	20	114	309

Source: Aphane *et al.* (2010).

Maja & Oluwatayo (2018) conducted a study in 2017 that focused on livelihood diversification and poverty among rural households in the Capricorn District in Limpopo Province to examine the nexus between poverty and livelihood diversification. In response to rising poverty rates, population growth and other socio-economic challenges, most households chose to diversify their livelihoods to increase their incomes. Table 4.8 shows the distribution of livelihood sources by gender with men dominating in sectors (occupations) that required masculinity such as farming, which was their primary occupation at 51.4%. This was followed by civil servant occupation at 26.7%, taxi operator (driver) at 21.9%, and other livelihood sources at 10.0%. Women on the other hand dominated in occupations such as street vendor, school cook and domestic worker at 19.8%, 17.1% and 7.3%, respectively. Women dominated in activities which required less physical strength whilst performing their routine household activities.

Table 4.8. Respondents' distribution of livelihood sources by gender in Capricorn District, 2017

Livelihood source	Male %	Female %
Farm work	51.4	50.34
Civil servant	26.7	22.5
Domestic work	6.7	7.3
School cook	0	17.1
Taxi driver	21.9	0
Street vendor	9.5	19.8
Fast food	11.4	10.8
Other(s)	10.5	27.2

Source: Maja & Oluwatayo (2018).

Oduniyi & Tekana (2019) conducted a study in 2018 entitled "Analysis of rural livelihood diversification strategies among maize farmers in North West Province" and found from a sample of 346 respondents that the majority of the households in Ngaka Modiri Molema District Municipality diversified from farm-based activities to off-farm

and non-farm activities. Table 4.9 shows that in the year 2018, farmers undertook other activities as means of income such as artisan work, which constituted 35.82% followed by paid labour at 31.34% as well as trading and hawking at 28.36%.

Table 4.9. Livelihood diversification strategies in Ngaka Modiri Molema, 2018

Choice of livelihood diversification	Frequency	%
Artisan	120	35.82
Trading and hawking	95	28.36
Paid labour	105	31.34
Hunting and gathering	15	4.48

Source: Oduniyi & Tekana (2019).

Tshuma & Jari (2013) argue that rural non-farm activities should not be seen as the means of creating jobs per se, but rather as a means of generating income. In addition, rural non-farm activities mitigate many of the negative effects of globalisation by providing a home for retrenched, uneducated, unskilled, and displaced workers. Nonetheless, rural non-farm activities offered security because farming in many rural areas may be unattractive which may have been due to the past segregation apartheid policies (Mishi *et al.*, 2020). Thus, in contrast, rural non-farm activities offer more security and provide incomes that are much better than farming. The following section covers the contribution of rural non-farm activities to income.

4.4.2. Contribution of rural non-farm activities to household income levels

Agriculture alone cannot cater for the growing population and high unemployment rate propelling rural households to find alternative sources of income. Nonetheless, agriculture remains important for the livelihoods of rural people. People in rural areas of South Africa derive their income from wages, salaries, commissions, self-employment income, income from agricultural products and services, rental income and interest income and finally, remittance funds, pensions and allowances (MuCusker, 2002; Hendricks, 2002). There are two main types of livelihood strategies: wage-based and non-wage-based. Wage-earning activities involve employment in off-farm wage employment or on non-family farms. Alternatively, non-wage activities may include various self-employment opportunities such as starting a business (weaving, etcetera.), selling agricultural products and services, and earning rent and income (Alemu, 2012).

Carter & May (1997) conducted a study in 1993 entitled "Poverty, livelihood and class in rural South Africa" and found that farming provided an income that was somewhat higher than the rural non-farm sector, as shown Table 4.10. About 22.1% of rural households earned monthly wages of R1 445 in the primary labour market while 36.4% of rural households that were involved agricultural production earned a derisory monthly income of R91. On the other hand, about 37.4% of rural households earned R974 monthly from rural non-farm activities and a monthly wage of R582 from the secondary labour market. Similarly, Lahiff (1997) conducted a study in 1995 in Venda and found that rural non-farm income earned by rural households was about R872 per month.

Table 4.10. Sources of income in rural areas of South Africa, 1993

Source of income	Households engaged in economic activity (%)	Rand earned per month
Agricultural production	36.4	91
Small and micro-enterprises	10.4	392
Wage labour in the primary market	22.1	1445
Wage labour in the secondary market	37.4	582
Claims against household members	39	267
Claims against the state	32.4	320

Source: Carter & May (1997).

Kirsten (1995) provided a gist of rural non-farm incomes in a study in 1995 on rural non-farm enterprises in the Northern and North West Provinces. Table 4.11 shows monthly business turnover by sector but the reliability of the information presented is questionable as few entrepreneurs keep proper records. However, the research revealed some interesting trends, such as higher monthly turnover for taxi operators, general traders and bottle shop owners. A low average wage of R200 per month was recorded by the shopkeepers. Other subsectors also paid similar wages for full-time employees, ranging between R 150 and R 200 per month. Table 4.11 depicts that four transport and two trade micro-enterprises had monthly turnover of over R10 000. Furthermore, at least one to four micro-enterprises had a monthly turnover of R300-R600, which were very attractive incomes in 1995.

Table 4.11. Monthly turnover of micro-enterprises per sector in the Northern and North West Province, 1995

Sector	1995				
	Monthly turnover				
	R200-R1 000 N	R1 001-R3 000 N	R3 001-R6 000 N	R6 001-R10 000 N	>R10 000 N
Manufacturing	1	-	3	-	-
Services	8	6	3	-	-
Transport	-	3	2	1	4
Trade	3	3	4	3	2
Construction	-	4	1	1	-

Source: Kirsten (1995).

Interestingly, in a study conducted in 1996 in Melani Village in the Eastern Cape Province that looked at de-agrarianisation and the urbanisation of the rural economy, it was found that a total of R79 438 of rural income was earned per month. There was no income from farming activities because such activities were undertaken occasionally. Table 4.12 shows that income earned from informal activities was R4 714 and secondary wages provided an income of R33 900 per month. The growing significance of the informal economy was an illustration of the economic dynamics and evolving labour patterns that were fostered by the on-going process of de-agrarianisation. In fact, in some cases, the people in Melani Village were totally dependent on informal activities due to unemployment. As a result, informal activities were vital to the survival of many households and the peasantry (Manona, 1999).

Table 4.12. Monthly Household income in Melani Village, 1996

	Wages	Pensions	Remittances	Informal activities	Total
Amount	R33 900	R30 045	R10 719	R4 714	R79 438
Percentage	43	38	13	6	100

Source: Manona (1999).

Makhura (2001) undertook a study in 2001 on a sample of 158 farm households that focused on the "Patterns of relationships between farm and non-farm sources of income in the rural areas of the Northern Cape Province". Table 4.13 shows that about R1 122 was earned from farming activities while R791 was earned from self-employment activities such as business ventures and services monthly. However, on the overall rural non-farm activities when combined with wages and salaries contributed R2 724 per month.

Table 4.13. Income from farm and non-farm sources in the Northern Province, 2001

Activity	Monthly Income (R)	%
Farm	1122	23.93
Non-farm	3566	76.07
Business	379	8.08
Pensions	843	17.98
Services	412	8.79
Salaries	1268	27.05
Wages	665	14.19
Total	4688	100

Source: Makhura (2001).

Machete (2004) conducted a study in 2004 entitled “Agriculture and poverty in South Africa focusing on 138 smallholder irrigation farmers in the Limpopo Province” and found that farming income was the greatest contributor to household income. About 41% of rural households earned R545 per month from farming, which was much higher compared with that obtained from rural non-farm activities. On one hand, about 2.4% of rural households earned just R32 per month from rural non-farm activities (family business and other non-farm income) but when combined with wages, it meant that a total of R290 was earned monthly from rural non-farm activities, which benefited 21.8% as shown in Table 4.14.

Table 4.14. Sources of income and contribution to total household income in Limpopo Province, 2004

Income sources	Average monthly income (R)	Contribution as % total of household income
Farming	545	41
Pension	329	24.8
Wages	258	19.4
Remittances	165	12.4
Family business	19	1.4
Other non-farm income	13	1
Total	1329	100

Source: Machete (2004).

Perret *et al.*, (2005) conducted a study in 2005 focusing on poverty and livelihoods in rural South Africa as well as the diversity and dynamics of livelihoods in the Limpopo Province involving 70 households randomly selected from Ga-Makgato and Sekgopo villages. The aim of the study was to better understand the livelihood systems in rural poor South Africa and strikingly, farming activities were among the most profitable ones, but benefited only a few households. Table 4.15 shows that in Ga-Makgato Village, farming provided R2 150 income per month, but there were no participants while about 20.0% of rural households earned R1 714.30 monthly from rural non-farm

activities. This was slightly different in Sekgopo where about 20.0% of households earned around R1 951.1 per month from rural non-farm activities, which was somewhat better than a monthly income of R1 616.7 earned by 5.7% of households from farming.

Table 4.15. Average monthly income as per source of income or activity in Ga-Makgato and Sekgopolo, 2005 (Rands)

Source of income	Ga-Makgato (Rands)	%	Sekgopo (Rands)	%
Crop and stock farming	2150	0	1616.7	5.7
Employment	1071.4	40.0	2359.8	25.7
Self-employment	1714.3	20.0	1957.1	20.0
Old-age pensions	797.8	51.4	858.8	45.7
Remittances	302.7	31.4	316.7	17.1
Childhood allowances	355	57.1	309.1	62.9

Source: Perret *et al.* (2005).

Obi (2010) undertook a study in 2008 entitled “Institutional constraints to small farmer development in Southern Africa” and calculated the determinants of income from different income-generating activities practiced by households in Mlungisi and Ndakana in the Eastern Cape Province. The key factors influencing agriculture were identified as soil and climate. Furthermore, rainfall was found to vary from year to year while the climate was considered semi-arid, dry and warm. As a result, farming was largely subsistence. The study involved 79 households and looked at multiple sources of rural income from farm and non-farm activities in the two communities. Table 4.16 provides a breakdown of the various income sources and their relative importance showed that about 57.6% of households in Ndakana relied on agriculture, which provided a monthly income of R1 941.84. Rural non-farm activities (own business) provided approximately 18% of households with higher incomes concurring with the results of many studies that rural non-farm activities yielded higher returns. Similarly, in Mlungisi, about 43.5% of households relied on farming and earned a total monthly income of R1 396.01. This was far below the income earned from rural non-farm activities, which provided a monthly R10 399.99 earned by only 17.6% of rural households. It was found that agricultural income was extremely low relative to other sources of income in both communities despite a high proportion of households engaging in agriculture.

Table 4.16. Distribution of households by average income and activity type in Mlungisi and Ndakana, 2008

Area	Livelihood strategy	Frequency	Percentage	Monthly income (R)	Average
Ndakana	Own agriculture	19	57.6	1 941.84	
	Own business	6	18	9 733.35	
	Wage employment	10	30.3	24 120	
	Remittances	15	45.5	7 240	
	Pensions and grants	21	63.6	1 337.43	
Mlungisi	Own agriculture	20	43.5	1 396.01	
	Own business	6	17.6	10 399.99	
	Wage employment	15	32.6	12 640	
	Remittances	10	21.7	5 520	
	Pensions and grants	35	76.1	9 836	

Source: Obi (2010).

In 2011, Colfer *et al.*, (2016), in a book titled “Climate change, tenure, value chains and emerging issues”, selected two sites, namely, Lesseyton and Gatyna in the Eastern Cape Province to unpack the contextual factors that influenced vulnerability in different settings. In both sites, unemployment rates were higher than national averages, income levels were low, education levels were low, infrastructure and services were inadequate. In the study, gender-related data were collected and synthesised from sub-studies undertaken by graduates employing both quantitative and qualitative methodologies focused on households in poverty. A total of 170 households were randomly selected. In Lesseyton, female-headed households derived low incomes but earned more from rural non-farm activities (self-employment), which contributed 10.3% while men only earned 3.1% from rural non-farm activities. Similarly, Gatyana women also derived 2.5% of income, which was higher compared to men who generated 1.5% of income from rural non-farm activities, as shown in Table 4.17.

It was observed that a marginal income was derived from crops and wild natural resources in the Eastern Cape sites across the different gender categories. Specifically, a higher proportion of poorer female-headed households engage in home gardening and harvest forest products than their male counterparts. This meant that women’s livelihood, particularly those without adult males, could be impacted because any climate change impacts on ecosystem resources. This also meant that both men and male-headed households that depended on agricultural activities were also likely at risk from climate change (Colfer *et al.*, 2016).

Table 4.17. Quarterly household income for different sources in Lesseyton and Gatyana, 2012 (Rands)

Area	Source of income	Amount (Rands)			
		Male	%	Female	%
Lesseyton	Grants	3 445	49.6	2 920	60.0
	Formal employment	1 433	20.6	573	11.7
	Casual employment	734	10.6	288	5.9
	Self-employment	214	3.1	504	10.3
	Remittances	221	3.2	342	7.0
	Crops	28	0.4	36	0.7
	Livestock	640	9.2	13	0.3
	Natural resource use	225	3.2	228	4.6
Gatyana	Grants	4 011	43.8	2 804	50.9
	Formal employment	2 630	28.7	1 000	18.2
	Casual employment	172	1.9	31	0.6
	Self-employment	135	1.5	140	2.5
	Remittances	305	3.3	354	6.4
	Crops	54	0.6	44	0.8
	Livestock	993	10.9	556	10.1
	Natural resource use	853	9.3	553	10.0

Source: Colfer (2016).

Mishi *et al.*, (2020) conducted in 2016 titled “Livelihood strategies and diversification amongst the poor” in rural Eastern Cape Province that aimed to examine the extent to which rural households diversified their livelihood strategies. With a total of 3033 households in the sample, it is assumed that low-income households engage in a variety of low-value livelihood activities, while higher-income households are more likely to engage in high value activities. Although apartheid kept most blacks in uncultivated areas, few families had agriculture as their primary occupation. Therefore, it is not surprising that agriculture accounts for only 0.17% of total household income, while rural non-farm activities (business income and other rural non-farm income) account for 38.65% of total household income, as shown in Table 4.18.

Table 4.18. Income sources in rural Eastern Cape, 2016

Income sources	Frequency	Percentage
Business income	1 126	38.21
Remittances	134	4.55
Pension	296	10.04
Grants	1 266	42.96
Farming income	5	0.17
Other income	13	0.44
No income	21	0.71
Total	2947	100

Source: Mishi *et al.*, (2020).

Due to a lack of statistical information, it is difficult to quantify the contribution of rural non-farm activities to the livelihoods of rural households. The Quarterly Labour Force Survey (QLFS) from STASSA provides information on informal activities (non-agricultural). Specifically, QLFS is a household-based survey that evaluates the employment situation of individuals aged 15 and older. From 1994 to 1999, the October Household Survey (OHS) was the most important method of collecting information on the labour market for the entire country. The OHS also collected information from respondents regarding a wide variety of topics, including births and deaths, health, crime, education, and training initiatives, as well as the amenities and services that households enjoyed at their residence. The OHS was never adjusted to make it comparable to the LFS or QLFS prior to 1994-1999, and there is no repository for the OHS data prior to 1994-1999 (STATS SA, 2008).

In 2000, the first Labour Force Survey (LFS) was conducted, and since then it has been conducted every six months between March and September. In comparison with its predecessor (the OHS), the LFS focuses predominantly on labour issues, and was conducted over a period of time between 2000 and 2007. An extensive revision of the LFS was undertaken by STATSSA beginning in 2005. As a result of this revision, changes were made to the questionnaire, the collection frequency, and the systems used to capture and process survey data. The redesigned labour market survey was launched in 2008 under the name QLFS. QLFS aims to collect quarterly information about individuals in the labour market, including those who are employed; those who are unemployed, and those who are not economically active. This is an annualised version of the QLFS on the labour market dynamics in South Africa (STATSSA, 2008).

The Labour Market Dynamics Report in South Africa started in 2009 and it is a more relevant source to derive meaningful analysis on the informal sector (non-agricultural). The informal sector (non-agricultural) refer to activities or work that excludes agricultural activities or persons employed in agriculture but wherein employees work in establishments that employ fewer than five employees and do not deduct income tax from their salaries/wages. Additionally, it includes employers, employees on their own account, as well as those who assist in their household businesses without being paid and are not registered for income tax or value-added tax (STATSSA, 2008).

The study focuses exclusively on informal sector activities that comprise rural non-farm activities. Since informal activities (non-agricultural) refer to informal sector activities located within rural areas, data pertaining to informal activities (non-agricultural) were used in the study. A rural area in the Eastern Cape is defined as an area without water and sanitation, as well as a lack of a formal local authority (ZA Recruitment, 2022). Rural areas often include farms and traditional areas that are characterised by low population densities, a low level of economic activity, and poor infrastructure. Rural areas may constitute tribal areas, commercial farms, and informal settlements (STATSSA, 2008). Data were sourced for all nine provinces but more analysis was provided where a large proportion of rural settlements are located in the former homeland areas such as in the Limpopo, Eastern Cape, North West and KwaZulu-Natal Provinces. The study focuses on two (2) types of settlements including rural formal/farm and Tribal/Traditional areas.

a) Rural formal/farm area

Rural formal/farm area includes land and buildings that are used for the cultivation of crops or the raising of livestock (STATSSA, 2008). The data focuses on rural households residing in these farming areas.

b) Tribal area

Traditional/tribal areas refer to land that is primarily owned by a traditional leader or an area that is legally proclaimed to be under tribal authorities.

Thus, for more relevance, the areas covered in the study are traditional/tribal areas and rural formal/farms for the period 2008-2019. Analysis was carried out to demonstrate the size and contribution of informal activities (non-agricultural) to the livelihoods of rural inhabitants.

4.5. Number of people employed in informal activities (non-agricultural) in South Africa for the period 2008-2019

Table 4.19 shows informal activities (non-agricultural) for all nine provinces and for South Africa as a whole for the period 2008-2019.

Table 4.19. Number of people employed in informal activities (non-agricultural) in South Africa, 2008-2019 in thousands

Year	Limpopo	Eastern Cape	KwaZulu-Natal	North West	Mpumalanga	Gauteng	Free State	Northern Cape	Western Cape	SA: Total
2008	215 544	166 059	241 920	69 094	154 027	13 661	17 082	5 597	2 230	885 214
2009	228 697	154 754	207 050	57 021	132 269	7 871	15 876	5 892	1 462	810 902
2010	249 367	149 001	190 165	52 286	124 988	12 888	17 819	6 748	2 133	805 395
2011	233 924	120 478	198 148	45 927	131 396	11 818	16 777	4 802	2 993	766 263
2012	267 700	133 829	168 612	55 429	149 911	12 856	16 001	6 426	2 339	813 103
2013	282 433	138 614	180 431	64 502	151 730	11 472	15 835	5 882	3 701	854 600
2014	296 558	125 467	213 503	63 627	127 209	12 416	19 271	4 503	2 388	864 924
2015	278 579	132 846	209 627	61 005	124 693	10 582	17 811	8 429	2 333	845 905
2017	313 872	142 550	203 920	81 080	177 151	12 481	18 714	9 793	4 200	963 761
2018	342 516	140 561	230 980	71 030	167 293	18 884	17 758	5 057	6 559	1 000 548
2019	322 438	138 058	249 265	62 322	173 477	16 287	16 369	7 515	3 811	989 542
Annual change										
2009	13 153 (6.10%)	-11 305 (-6.81%)	-34 870 (-14.41%)	-12 073 (-17.47%)	-21 758 (-14.13%)	-5 790 (-42.38%)	-1 206 (-7.06%)	295 (5.27%)	-768 (-34.44%)	-74 312 (-8.369%)
2010	20 670 (9.04%)	-5 753 (-3.72%)	-16 885 (-8.16%)	-4 735 (-8.30%)	-7 281 (-5.50%)	5 017 (63.74%)	1 943 (12.24%)	856 (14.53%)	671 (45.90%)	- 5 507 (-0.68%)
2011	-15 443 (-6.19%)	-28 525 (-19.14%)	7 983 (4.20%)	-6 359 (-12.16%)	6 408 (5.13%)	-1 070 (-8.30%)	-1 042 (-5.85%)	-1 946 (-28.84%)	860 (40.32%)	-39 132 (-4.86%)
2012	33 776 (15.08%)	13 353 (11.08%)	-29 536 (-14.91%)	9 502 (20.69%)	15 815 (14.09%)	1 038 (8.78%)	-776 (-4.63%)	1 624 (33.82%)	-768 (-52.5)	46 840 (6.11%)
2013	14 733 (5.50%)	4 785 (3.58%)	11 819 (7.01%)	9 073 (16.37%)	1 819 (1.21%)	-1 384 (-10.77%)	-166 (-1.04%)	-544 (-8.47%)	671 (31.5%)	41 497 (5.10%)
2014	14 125 (5%)	-13 147 (-9.48%)	33 072 (18.33%)	-875 (-1.36%)	-24 521 (-16.16%)	944 (8.23%)	3 436 (21.70%)	-1 379 (-23.44%)	860 (40.3%)	9 694 (1.13%)
2015	-17 979 (-6.06%)	7 019 (5.59%)	-4 236 (-1.98%)	-2 622 (-4.12%)	-2 516 (-1.98%)	-1 834 (-14.77%)	-1 460 (-7.58%)	3 926 (87.19%)	-654 (-21.9%)	-19 019 (-2.20%)
2017	35 293 (12.67%)	9 704 (7.30%)	-5 707 (-2.72%)	20 075 (32.91%)	52 458 (42.07%)	1 899 (17.95%)	903 (5.07%)	1 364 (16.18%)	1 362 (58.2%)	117 856 (13.93%)
2018	28 644 (9.13%)	-1 989 (-1.40%)	27 060 (13.27%)	-10 050 (-12.40%)	-9 858 (-5.56%)	6 403 (51.30%)	-956 (-5.11%)	-4 736 (-48.36%)	-1 313 (-35.5%)	36 787 (3.82%)
2019	-20 078 (-5.86%)	-2 503 (-1.78%)	18 285 (8.96%)	-8 708 (-12.26%)	6 184 (3.70%)	-2 597 (-13.75%)	-1 389 (-7.82%)	2 458 (48.61%)	-1 368 (-37%)	-11 006 (-1.10%)

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

In South Africa, many legal restrictions on access to and participation in the labour market have been lifted since the end of apartheid. The rapid growth in the size of the labour force in the second half of the 1990s and early 2000s was driven more by the increase in the participation rate than by the rapid growth of the working-age population (Bhorat *et al.*, 2016). Table 4.19 shows total employment in informal activities (non-agricultural) in South Africa for the period 2008-2019. Total employment in informal activities (non-agricultural) increased from 885 214 in 2008 to 989 542 in 2019, which was an increase of 12% over the eleven year period. For the Limpopo Province, the number of people employed in informal activities (non-agricultural) increased from 215 544 in 2008 to 322 438 in 2019, which was an increase of 50% over the eleven year period. For the KwaZulu-Natal Province, the number of people employed in informal activities (non-agricultural) increased from 241 902 in 2008 to 249 265 in 2019, amounting to 3% over the same period.

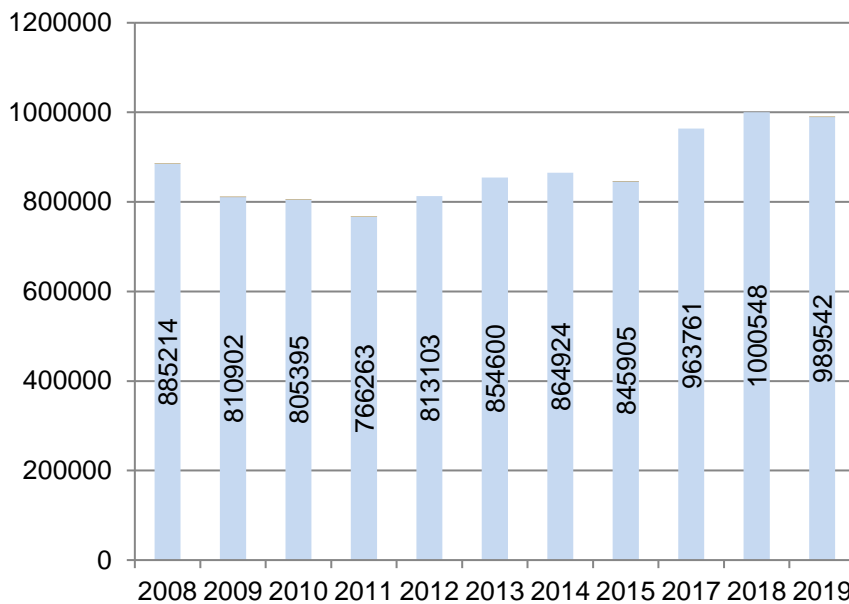
For the Mpumalanga Province, the number of people employed in informal activities (non-agricultural) increased from 154 027 in 2008 to 173 477 in 2019, an increase of 13% over the eleven year period. However, in the Eastern Cape Province the number employed in informal activities (non-agricultural) decreased from 166 059 in 2008 to 138 058 in 2019, indicating a 17% decrease over the period. At the same time, the number of people employed in informal activities (non-agricultural) in the North West Province decreased from 66 094 in 2008 to 62 322 in 2019, which represents a decrease of 10% over the period.

Table 4.19 also shows that for the Free State Province, the number of people employed in informal activities (non-agricultural) decreased from 17 082 in 2008 to 16 369 in 2019, which was a decrease of 4% over the eleven-year period. In contrast to this, the number of people employed in informal activities (non-agricultural) in the Gauteng Province increased from 13 661 in 2008 to 16 287 in 2019, amounting to 19% increase over the same period. The number employed in the Northern Cape Province increased from 5 597 in 2008 to 7 515 in 2019, a 34% increase over the eleven-year period. Similarly, the number employed in informal activities (non-agricultural) rose from 2 230 in 2008 to 3 811 in 2019, which indicates 71% increase over the period in the Western Cape Province. The percentage change in informal

activities (non-agricultural) in the Limpopo Province and the Western Cape Provinces exceeded 50% over the period.

Figure 4.2 shows that total employment in informal activities (non-agricultural) in South Africa comprised over 800 000 for most years and was the lowest in 2011 at 766 263. Total employment in informal activities peaked in 2018 at 1 000 548 but fell to 989 542 in 2019.

Figure 4.2 Total employed in informal activities (non-agricultural) in South Africa, 2008-2019

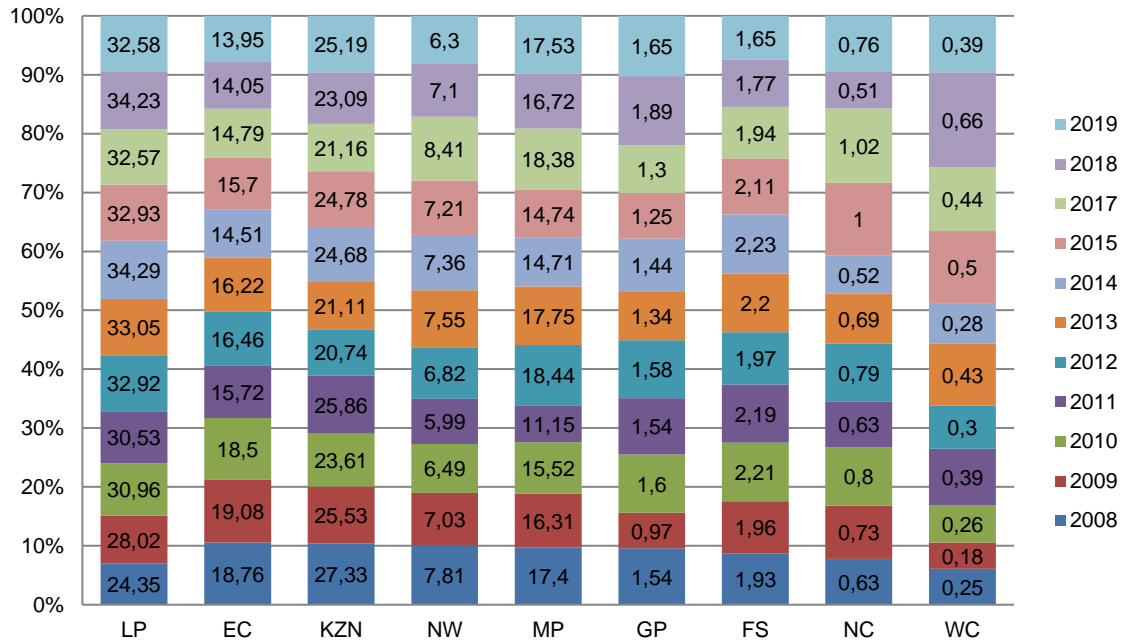


Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Figure 4.3 shows the total percentage employment in informal activities (non-agricultural) in the nine Provinces for the period 2008-2019. Informal activities (non-agricultural) comprised over 30% in the Limpopo Province for most years except in 2008 where it fell to 24.35%. In the KwaZulu-Natal Province, informal activities (non-agricultural) comprised over 20% over the eleven-year period whilst in the Mpumalanga Province, the figure comprised over 10% for the same period. In the Eastern Cape Province, informal activities (non-agricultural) as a percentage of total employment comprised less than 20% over the eleven-year period whilst for the North West Province, the figure comprised over 5% over the same period. On the other hand, informal activities (non-agricultural) as a percentage of total employment in the Free State Province was over 1% for most years except in 2010, 2011, 2013, 2014, 2015

where it comprised 2.21%, 2.19%, 2.20%, 2.23% and 2.11%, respectively. In both the Gauteng and the Northern Cape Provinces, informal activities (non-agricultural) comprised 1% over the eleven-year period whilst the figure for the Western Cape Province was just below 1% over the same period.

Figure 4.3. Percentage employed in informal activities (non-agricultural) per province in South Africa, 2008-2019



Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.20. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in Limpopo Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	212 970	2 574	47 507	18 978	260 477	21 552	81.76	11.94	18.24	88.06
2009	223 145	5 552	45 860	19 470	269 005	25 002	82.95	22.21	17.05	77.79
2010	246 080	3 287	36 352	20 269	282 432	23 556	87.13	13.95	12.87	86.05
2011	231 190	2 734	38 346	38 831	269 536	41 565	85.77	6.58	14.23	93.42
2012	264 227	3 473	45 498	53 459	309 725	56 932	85.31	6.10	14.69	93.90
2013	275 063	7 370	56 791	56 527	331 854	63 897	82.89	11.53	17.11	88.47
2014	290 176	6 382	64 580	38 082	354 756	44 464	81.80	14.35	18.20	85.65
2015	276 011	2 568	46 976	76 721	322 987	79 289	85.46	3.24	14.54	96.76
2017	310 214	3 658	53 628	79 989	363 842	80 647	85.26	4.54	14.74	95.46
2018	340 157	2 359	58 532	75 517	398 689	77 876	85.32	3.03	14.68	96.97
2019	315 897	6 541	64 902	66 610	380 799	73 151	82.96	11.94	17.04	91.06
	Annual change									
2009	10 175 (4.78%)	2 978 (115.70%)	-1 647 (-3.47%)	492 (2.59%)	8 558	3 470	1.19	10.27	-1.19	-10.27
2010	22 935 (10.28%)	-2 265 (-40.80%)	-9 508 (-20.73%)	799 (4.10%)	13 427	-1 446	4.18	-8.26	-4.18	8.26
2011	-14 890 (-6.05%)	-553 (-16.82%)	1 994 (5.49%)	18 562 (91.58%)	-12 896	18 009	-1.36	7.37	1.36	7.17
2012	33 037 (14.29%)	739 (27.03%)	7 152 (18.61%)	14 628 (37.67%)	40 189	15 367	0.46	-0.48	0.46	0.48
2013	10 836 (4.10%)	3 897 (112.21%)	11 293 (24.82%)	3 068 (5.73%)	22 129	6 965	-2.42	5.43	2.42	-5.43
2014	15 113 (5.15%)	-988 (-13.41%)	7 789 (13.72%)	-18 445 (-32.67%)	22 902	-19 433	-1.09	2.82	1.11	-2.82
2015	-14 165 (-4.88%)	-3 814 (-59.76%)	-17 604 (-27.26%)	38 639 (101.46%)	-31 769	34 825	3.66	-11.11	-3.66	11.11
2017	34 203 (12.39%)	1 090 (42.45%)	6 652 (14.16%)	268 (0.35%)	40 855	1 358	3.46	1.3	0.20	-1.30
2018	29 943 (9.65%)	-1 299 (-35.51%)	4 904 (9.14%)	-1 472 (-1.91%)	34 847	-2 771	0.06	-1.51	-0.06	1.51
2019	-24 260 (-7.13)	4 182 (177.28%)	6 370 (10.88%)	-8 907 (-11.79%)	-17 890	-4 725	-2.39	8.91	2.36	-5.91

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.20 indicates that for the Limpopo Province, the number of people employed in informal activities (non-agricultural) in the tribal areas increased from 212 970 in 2008 to 315 897 in 2019, which was an increase of 48% over the eleven-year period. During the same time, the number of people employed in informal activities (non-agricultural) in the rural areas increased from 2 574 in 2008 to 6 541 in 2019, amounting to an increase of 154%. In the case of employment in agriculture, the number employed in the tribal areas increased from 47 507 in 2008 to 64 902 in 2019, pointing to a 37% increase over the eleven-year period. Over the same period, the number employed in agriculture in the rural areas rose from 18 978 in 2008 to 66 610 in 2019, which indicates a 251% increase. It is clear that for both informal activities (non-agricultural) and agriculture in the rural areas, the percentage change in employment exceeded 100% over the period.

Table 4.20 also depicts the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 80% in the tribal areas whilst the figure for rural areas varied over the period. On the other hand, agriculture as a percentage of total employment in rural areas was over 90% over the years except in 2008, 2010, 2013 and 2013, where it was above 80% while in it fell to 77.79% in 2009. Agriculture as a percentage of total employment in tribal areas was less than 20% over the entire period.

Table 4.21. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in the Eastern Cape Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	163 829	2 230	21 757	31 890	185 586	34 120	88.27	6.54	11.73	93.46
2009	153 237	1 517	21 644	34 453	174 881	35 970	82.95	4.22	17.05	95.78
2010	148 447	554	24 257	21 389	172 704	21 943	87.13	2.52	12.87	97.48
2011	119 817	661	17 279	21 585	137 096	22 246	85.77	2.97	14.23	97.03
2012	133 327	502	13 598	22 200	146 925	22 702	85.31	2.21	14.69	97.79
2013	137 567	1 047	24 714	26 103	162 281	27 150	82.89	3.86	17.11	96.14
2014	123 132	2 335	25 732	30 041	148 864	32 376	81.80	7.21	18.20	92.79
2015	131 321	1 525	24 998	20 862	156 319	22 387	85.46	6.81	14.54	93.19
2017	136 998	5 552	36 884	29 514	173 882	35 066	85.26	15.83	14.74	84.17
2018	136 102	4 459	38 675	28 711	174 777	33 170	85.32	13.44	14.68	86.56
2019	134 409	3 649	33 832	30 366	168 241	34 012	82.96	10.73	17.04	89.22
	Annual change									
2009	-10 592 (-6.47%)	-713 (-31.97%)	-113 (-0.52%)	2 563 (8.04%)	-10 705	1 850	-5.32	-2.32	5.32	2.32
2010	-4 790 (-3.13%)	-963 (-64.14%)	2 613 (12.07%)	-13 064 (-37.92%)	-2 177	-14 027	4.18	-1.70	-4.18	1.70
2011	-28 630 (-19.29%)	107 (19.67%)	-6 978 (-28.77%)	196 (0.92%)	-35 608	303	-1.36	0.45	1.36	-0.45
2012	13 510 (11.28%)	-159 (-24.05%)	-3 681 (-21.30%)	615 (2.82%)	9 829	456	-0.64	-0.76	0.46	0.76
2013	4 240 (3.18%)	545 (108.57%)	11 116 (81.75%)	3 903 (17.58%)	15 356	4 448	-2.42	1.68	2.42	-1.65
2014	-14 435 (-10.49%)	1 288 (123.02%)	1 018 (4.12%)	3 938 (15.09%)	-13 417	5 226	-1.09	3.35	1.09	-3.35
2015	8 189 (6.65%)	-810 (34.69%)	-734 (-2.85%)	-9 179 (-30.55%)	7 455	-9 989	3.66	-0.31	-3.66	0.40
2017	5 677 (4.32%)	4 027 (264.07%)	11 886 (47.55%)	8 652 (41.47%)	17 563	12 679	-0.20	9.02	0.20	-9.02
2018	-896 (-0.65%)	-1 093 (-19.67%)	1791 (4.86%)	-803 (2.72%)	895	-1 896	0.06	-2.39	-0.06	-6.63
2019	-1 693 (-1.24%)	-813 (18.23%)	-4 843 (-12.52%)	1 655 (5.76%)	-6 536	842	-2.36	-2.71	2.36	2.66

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.21 shows that for the Eastern Cape Province, the number of people employed in informal activities (non-agricultural) in the tribal areas decreased from 163 829 in 2008 to 134 409 in 2019, which is a decrease of 18% over the eleven-year period. Conversely, the number of people employed in informal activities (non-agricultural) in the rural areas increased from 2 230 in 2008 to 3 649 in 2019, amounting to a 64% over the period. In the case of employment in the agriculture, the number employed in the tribal areas increased from 21 757 in 2008 to 33 832 in 2019, which was a 55% increase over the eleven-year period. However, the number employed in agriculture in the rural areas decreased by 5% over the period from 31 890 in 2018 to 30 366 in 2019. It is clear that only for informal activities (non-agricultural) in the rural areas, the percentage change in employment exceeded 50%.

Table 4.21 also highlights the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 80% in the tribal areas whilst the figure for rural areas varied over the period. Agriculture as a percentage of total employment in the rural areas exceeded 90% over the period, except from 2017-2019, where it hovered around the mid-80% region. Agriculture as a percentage of total employment in the tribal areas comprised over 10% for most of the period.

Table 4.22. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in KwaZulu-Natal Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	231 764	10 156	52 648	61 673	284 412	71 829	81.49	14.14	18.51	85.86
2009	198 024	9 026	55 400	40 801	253 424	49 827	78.14	18.11	21.86	81.89
2010	174 593	15 572	48 127	41 284	222 720	58 856	78.38	26.46	21.62	73.54
2011	182 816	15 332	43 700	39 108	226 516	54 440	80.71	28.16	19.29	71.84
2012	158 154	10 458	39 416	43 346	197 570	53 804	80.05	19.44	19.95	80.56
2013	167 713	12 718	50 486	36 663	218 199	49 381	76.86	25.75	23.14	74.25
2014	200 146	13 357	39 268	39 334	239 414	52 691	83.60	25.35	16.40	74.65
2015	200 247	9 380	59 447	66 578	259 724	75 958	77.10	12.35	22.90	87.65
2017	195 839	8 081	36 752	58 813	232 591	66 894	84.20	12.06	15.80	87.94
2018	217 991	12 989	41 567	59 132	259 558	72 121	83.99	18.01	16.01	81.99
2019	230 562	18 703	48 178	65 520	278 740	81 223	82.72	23.03	17.28	76.97
	Annual change									
2009	-33 740 (-14.56%)	-1 130 (-11.13%)	2 752 (5.23%)	-20 872 (-33.84%)	-30 988	-22 002	-3.35	3.97	3.35	-3.97
2010	-23 431 (-11.83%)	6 546 (72.56%)	-7 273 (-13.13%)	483 (1.18%)	-30 704	9 029	0.24	8.35	-0.24	-8.36
2011	8 223 (4.71%)	-240 (-1.54%)	-4 427 (-9.20%)	-2 176 (-5.27%)	3 796	-4 416	2.33	1.7	-2.33	-1.70
2012	-24 662 (-13.49%)	-4 874 (-31.79%)	-4 284 (-9.80%)	4 268 (10.84%)	-28 946	-4 423	-0.66	-8.72	0.66	8.72
2013	9 559 (6.04%)	2 260 (21.61%)	11 070 (28.09%)	-6 683 (-15.42%)	20 629	-636	-1.16	6.31	3.19	-6.31
2014	32 433 (19.34%)	639 (5.02%)	-11 218 (-22.22%)	2 671 (7.29%)	21 215	3 310	6.74	-0.4	-6.74	0.40
2015	101 (0.05%)	-3 977 (-29.77%)	20 209 (51.46%)	2 724 (69.26%)	20 310	23 264	-6.5	-13	6.50	13
2017	-4 408 (-2.20%)	-1 299 (-13.85%)	-22 725 (-38.21%)	-7 765 (-11.68%)	-27 133	-9 064	7.10	-0.29	-7.10	0.29
2018	22 152 (11.31%)	4 908 (60.74%)	4 815 (13.10%)	319 (0.54%)	26 967	5 227	-0.21	5.95	0.21	-5.95
2019	12 571 (5.77%)	5 714 (43.99%)	6 611 (15.90%)	3 383 (5.73%)	19 182	9 102	-1.27	5.02	1.27	-5.02

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.22 shows that for the KwaZulu-Natal Province, the number of people employed in informal activities (non-agricultural) in the tribal areas decreased slightly by 1% from 231 764 in 2008 to 230 562 in 2019. On the other hand, the number of people employed in informal activities (non-agricultural) in the rural areas increased from 10 156 in 2008 to 18 703 in 2019, an increase of 84%. In the case of employment in the agriculture, the number employed in the tribal areas decreased from 52 648 in 2008 to 48 178 in 2019, pointing to an 8% decrease over the eleven-year period. However, the number employed in agriculture in the rural areas increased from 61 673 in 2008 to 65 520 in 2019, which indicates just 6% increase over the period. It is clear that only for informal activities (non-agricultural) in the rural areas, the percentage change in employment exceeded 50%.

Table 4.22 also depicts the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 80% in the tribal areas except in 2009, 2010, 2013 and 2015, where it remained over 70% whilst the figure for rural areas varied over the period. Agriculture as a percentage of total employment in the rural areas comprised over 80% for most of the period except in 2011, 2013, 2014 and 2019, where it was over 70%. Agriculture as a percentage of total employment in the tribal areas was below 20% for most of the period, except in 2009, 2010 and 2015, where it was above 20%.

Table 4.23. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in North West Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	58 385	10 709	9 411	37 307	67 796	48 016	91.52	22.30	8.48	77.70
2009	48 144	8 877	6 203	32 098	54 347	40 975	88.59	21.66	11.41	78.34
2010	49 524	2 762	5 138	28 302	54 662	31 064	90.60	8.89	9.40	91.11
2011	43 790	2 137	2 629	29 067	46 419	31 204	94.34	6.85	5.66	93.15
2012	50 833	4 596	4 855	27 869	55 688	32 465	91.28	14.16	8.72	85.84
2013	62 888	1 614	9 072	23 506	71 960	25 120	87.39	6.43	12.61	93.57
2014	59 219	4 408	9 248	27 598	68 467	32 006	86.27	13.77	13.73	86.23
2015	56 272	4 733	15 558	26 472	71 830	31 205	78.34	15.17	21.66	84.83
2017	77 495	3 585	7 926	24 534	85 421	28 119	90.72	12.75	9.28	87.25
2018	65 258	5 772	10 407	29 183	75 665	34 955	86.25	16.51	13.75	83.49
2019	56 084	6 238	6 418	32 608	62 502	38 846	89.73	16.06	10.27	83.94
	Annual change									
2009	-6 241 (-11.48%)	-1 832 (-17.11%)	-3 208 (-34.09%)	-5 209 (-13.96%)	-9 449	-7 041	-2.93	-0.64	2.93	0.64
2010	-1 380 (2.89%)	-6 115 (-68.89%)	-1 065 (-17.17%)	-3 796 (-11.83%)	315	-9 911	2.01	-12.77	-2.01	12.77
2011	-5 734 (-11.58%)	-625 (-22.63%)	-2 509 (-48.83%)	765 (2.70%)	-8 243	-140	3.74	-2.04	-5.01	2.04
2012	7 043 (16.08%)	2 459 (115.07%)	2 226 (84.67%)	-1 198 (-4.12%)	9 269	1 261	-3.06	7.31	3.06	-7.31
2013	12 055 (23.71%)	-2 982 (-64.88%)	4 217 (86.86%)	-4 363 (-15.66%)	16 272	-7 345	-3.89	7.73	3.89	7.73
2014	-3 669 (-5.83%)	2 794 (173.11)	176 (1.94%)	4 092 (17.41%)	-3 493	6 886	-1.12	7.34	1.12	-7.34
2015	-2 947 (-4.98%)	305 (6.92%)	6 310 (68.23%)	-1 126 (-4.08%)	3 363	-801	-7.93	1.40	7.93	-1.40
2017	21 223 (37.72%)	-1 148 (-24.26%)	-7 632 (-49.06%)	-1 938 (-7.31%)	13 591	-3 086	12.38	-2.96	-12.38	2.42
2018	-12 237 (-15.79%)	2 187 (61%)	2 481 (31.30%)	4 649 (18.95%)	-9 756	6 876	-4.47	3.76	3.10	-3.76
2019	-9 174 (-14.06%)	466 (8.07%)	-4 009 (-38.45%)	3 425 (11.74%)	-13 163	3 891	3.48	-0.45	-3.48	0.45

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.23 shows that for the North West Province, the number of people employed in informal activities (non-agricultural) in the tribal areas decreased slightly by 4% from 58 385 in 2008 to 56 084 in 2019. The number of people employed in informal activities (non-agricultural) in the rural areas decreased from 10 709 in 2008 to 6 238 in 2019, representing a 42% decline over the period. In the case of employment in the agriculture, the number employed in the tribal areas decreased from 9 411 in 2008 to 6 418 in 2019, a 32% decrease over the eleven-year period. The number employed in agriculture in the rural areas decreased from 37 307 in 2008 to 32 608 in 2019, or 13% over the period. It is clear that only for informal activities (non-agricultural) in the rural areas, the percentage change in employment exceeded 40%.

Table 4.23 also shows the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 80% in the tribal areas over the period except in 2019 while it fell slightly to 78.34% in 2015 whilst the figure for rural areas varied over the period. Agriculture as a percentage of total employment in the rural areas comprised above 80% over of the period except in 2011 and 2013 where it exceeded 90%. On the other hand, agriculture as a percentage of total employment in tribal areas constituted greater than 10% for most of the period, except in 2015 where it was above 20%.

Table 4.24. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in Mpumalanga Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment		
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	
2008	147 709	6 318	25 818	42 813	173 527	49 131	85.12	12.86	14.88	87.14	
2009	121 679	10 590	26 232	36 568	147 911	50 158	82.27	21.11	17.73	78.89	
2010	117 409	7 579	22 004	44 936	139 413	52 515	84.22	14.43	15.78	85.57	
2011	125 727	5 669	24 793	45 336	150 520	51 005	83.53	11.11	16.47	88.89	
2012	145 460	4 451	31 877	54 605	177 337	59 056	82.02	7.54	17.98	92.46	
2013	144 473	7 257	36 929	48 855	181 402	56 112	79.64	12.93	20.36	87.07	
2014	123 321	3 888	36 286	35 145	159 607	39 003	77.27	9.97	22.73	90.03	
2015	118 012	6 681	31 794	40 963	149 806	47 644	78.78	14.02	21.22	85.98	
2017	168 499	8 652	32 069	49 358	200 568	58 010	84.01	14.91	15.99	85.09	
2018	162 266	5 027	29 446	46 871	191 712	51 898	84.64	9.69	15.36	90.31	
2019	168 200	5 277	35 228	46 100	203 428	51 377	82.68	10.27	17.32	89.73	
	Annual change										
2009	-26 030 (-17.62%)	4 272 (67.62%)	414 (1.60%)	-6 245 (-14.58%)	-25 616	1 027	-2.85	8.25	2.85	-8.25	
2010	-4 270 (-3.57)	-3 013 (-28.45%)	-4 268 (-16.12%)	8 368 (22.88%)	-8 498	2 357	1.95	-6.68	-1.95	6.68	
2011	8 318 (7.08%)	-1 910 (-25.20%)	2 789 (12.67%)	400 (0.89%)	11 107	-1 510	-0.69	-3.32	0.69	3.32	
2012	19 733 (15.70%)	-1 218 (-21.49%)	7 084 (28.57%)	9 269 (20.45%)	26 817	8 051	-1.51	-3.57	1.42	3.57	
2013	-987 (-0.68%)	2 806 (63.04%)	5 052 (15.85%)	-5 750 (-10.53%)	4 065	-2 944	-2.38	5.39	2.38	-5.39	
2014	-21 152 (-14.64%)	-3 369 (-46.42%)	-643 (-1.74%)	-13 710 (-28.06%)	-21 795	-17 109	-2.37	-2.96	2.37	2.96	
2015	-5 309 (-4.31%)	2 793 (71.84%)	-4 492 (-12.38%)	5 818 (16.55%)	-9 801	8 641	1.51	4.05	-1.51	-4.05	
2017	50 487 (42.78%)	1 971 (29.50%)	275 (0.86%)	8 395 (20.49%)	50 762	10 366	5.36	0.89	-5.23	-0.89	
2018	-6 233 (-3.70%)	-3 625 (-41.90%)	-2 623 (-8.18%)	-2 487 (-5.04%)	-8 856	-6 112	0.63	-5.22	-0.63	5.22	
2019	5 934 (3.66%)	250 (49.31%)	5 782 (19.64%)	-771 (-1.65%)	11 716	-521	-1.96	0.58	1.96	-0.58	

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.24 shows that for the Mpumalanga Province, the number of people employed in informal activities (non-agricultural) in the tribal areas increased from 147 709 in 2008 to 168 200 in 2019, an increase of 14% over the eleven-year period. However, the number of people employed in informal activities (non-agricultural) in the rural areas decreased from 6 318 in 2008 to 5 277 in 2019 a 16% fall over the same period. In the case of employment in the agriculture sector, the number employed in the tribal areas increased from 25 818 in 2008 to 35 228 in 2019, which was a 36% increase over the eleven-year period. During the same period, the number employed in agriculture in the rural areas rose 8% from 42 813 in 2008 to 46 100 in 2019. It is clear that only for agriculture in the rural areas, the percentage change in employment exceeded 30%.

Table 4.24 also depicts the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 80% in the tribal areas except in the years 2013-2015, where it decreased to a little more than 70% whilst the figure for rural areas was above 20% in these respective years. Agriculture as a percentage of total employment in the rural areas comprised over 80% for most of the period except in 2012, 2014 and 2018, where it increased to over 90%. On the other hand, agriculture as a percentage of total employment in the tribal areas was just below 20% for most of the period.

Table 4.25. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in the Gauteng Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment		
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	
2008	9 513	4 148	880	19 862	10 393	24 010	91.53	17.28	8.47	82.72	
2009	5 533	2 338	316	14 581	5 849	16 919	94.60	13.82	5.40	86.18	
2010	9 867	3 016	627	9 071	10 494	12 087	94.03	24.95	5.97	75.05	
2011	9 616	2 202	192	13 206	9 808	15 408	98.04	14.29	1.96	85.71	
2012	8 320	4 536	453	8 560	8 773	13 096	94.84	34.64	5.16	65.36	
2013	9 876	1 596	0	9 515	9 876	11 111	100	14.36	0	85.64	
2014	7 810	4 606	77	7 521	7 887	12 127	99.02	37.98	0.98	62.02	
2015	10 582	0	3 330	0	13 912	0	76.06	0	23.94	0	
2017	7 566	4 915	1 124	14 496	8 690	19 411	87.07	38.98	12.93	61.02	
2018	14 246	4 638	1 139	13 943	15 385	18 581	92.60	24.96	7.40	75.04	
2019	8 496	7 791	231	12 787	8 727	20 578	97.35	2.65	17.28	62.14	
Annual change											
2009	-3 980 (-41.84%)	-1 810 (-43.64%)	-564 (-64.09%)	-5 281 (-26.59%)	-4 544	-7 091	3.07	-3.46	-3.07	3.46	
2010	4 334 (78.33%)	678 (29%)	311 (98.42%)	-5 510 (-37.79%)	4 645	-4 832	-0.57	11.13	0.57	-11.13	
2011	-251 (-2.54%)	-814 (-26.99%)	-435 (-69.38%)	4 135 (45.58%)	-686	3 321	4.01	-10.66	-4.01	10.66	
2012	-1 296 (-13.48%)	2 334 (105.99%)	261 (135.94%)	-4 646 (-35.18%)	-1 035	-2 312	-3.2	20.35	3.20	-9.69	
2013	1 556 (18.70%)	-2 940 (-64.81%)	--453 (-100%)	9 515 (100%)	1 103	-1 985	5.16	-20.28	-5.16	20.28	
2014	-2 066 (-20.29%)	3 010 (188.60%)	77 (100%)	-1 994 (-20.96%)	-1 989	1 016	-0.98	23.62	0.98	-23.62	
2015	2 772 (35.49%)	-4 606 (-100%)	3 253 (4224, 68%)	-7521(-100%)	6 025	-12 127	-22.96	-37.98	22.96	-62.02	
2017	-3 016 (-28.50%)	4 915 (100%)	-2 206 (-66.25%)	14 496 (100%)	-5 222	19 411	11.01	38.398	-11.01	61.02	
2018	6 680 (88.29%)	-277 (-5.64%)	15 (1.33%)	-553 (-3.81%)	6 695	-830	5.53	-14.02	-5.53	14.02	
2019	-5 750 (-40.36%)	3 153 (67.98%)	-908 (-79.72%)	-1 156 (-8.29%)	-6 658	1 997	4.75	12.90	9.88	-12.90	

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.25 shows that for the Gauteng Province, the number of people employed in informal activities (non-agricultural) in the tribal areas fell from 9 513 in 2008 to 8 496 in 2019, a decrease of 11% over the eleven-year period. However, the number of people employed in informal activities (non-agricultural) in the rural areas increased markedly from 4 148 in 2008 to 7 791 in 2019, a rise of 88% over the same period. In the case of employment in the agriculture, the number employed in the tribal areas decreased from 880 in 2008 to 231 in 2019, a significant decrease of 74% over the eleven year period. At the same time, the number employed in agriculture in the rural areas declined from 19 862 in 2018 to 12 787 in 2019, which indicates a 36% fall over the period. It is clear that only for informal activities (non-agricultural) in the rural areas, the percentage change in employment exceeded 80%.

Table 4.25 also shows the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 90% in the tribal areas besides in 2015 where it declined to 76.06% and then meagerly increased to 87.07% in 2017. The figure for rural areas was just above 5% for most of the years except in 2015 where it was over 20% and then fell to over 10% in 2017. Agriculture as a percentage of total employment in the rural areas comprised over 80% for most of the period, except in 2018 where it fell to 75.04%. On the other hand, agriculture as a percentage of total employment in the tribal areas comprised below 20% over the period, except in 2014 and 2015 where it comprised 15.99% and 15.36%, respectively.

Table 4.26. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in the Free State Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment		
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	
2008	12 853	4 229	828	50 770	13 681	54 999	93.95	7.69	6.05	92.31	
2009	13 053	2 823	346	55 400	13 399	58 223	97.42	4.85	2.58	95.15	
2010	16 862	957	571	43 513	17 433	44 470	96.72	2.15	3.28	97.85	
2011	14 493	2 284	494	44 097	14 987	46 665	96.70	4.89	3.30	95.11	
2012	13 443	2 558	538	44 993	13 981	47 551	96.15	5.38	3.85	94.62	
2013	13 154	2 681	92	53 040	13 246	55 721	99.31	4.81	0.69	95.19	
2014	17 023	2 248	272	36 762	17 295	39 010	98.43	5.76	1.57	94.24	
2015	16 446	1 365	1 216	47 680	17 662	49 045	93.12	2.78	6.88	97.22	
2017	16 887	1 827	1 263	44 369	18 150	46 195	93.04	3.95	6.96	96.05	
2018	16 110	1 648	592	38 194	16 702	39 842	96.46	4.14	3.54	95.86	
2019	14 029	2 340	382	32 070	14 411	34 410	97.35	6.80	2.65	93.20	
	Annual change										
2009	200 (1.56%)	-1 406 (-33.25%)	-482 (-58.21%)	4 630 (9.12%)	-282	3 224	3.47	-2.84	-3.47	2.84	
2010	3 809 (29.18%)	-1 866 (-66.10%)	225 (65.03%)	-11 887 (-21.46%)	4 034	-13 753	-0.70	-2.70	0.70	2.70	
2011	-2 369 (-14.05%)	1 327 (138.66%)	-77 (-13.49%)	584 (1.34%)	-2 446	2 195	-0.02	2.74	0.02	-2.74	
2012	-1 050 (-7.24%)	274 (12%)	44 (8.91%)	896 (2.03%)	-1 006	886	-1.55	0.49	0.02	-0.49	
2013	-289 (-2.15%)	123 (4.81%)	-446 (-82.90%)	8 047 (17.89%)	-735	8 170	3.16	-0.57	0.55	0.57	
2014	3 869 (29.41%)	-433 (-16.15%)	180 (195.64%)	-16 278 (-30.69%)	4 049	-16 711	-0.88	0.95	-3.16	-0.95	
2015	-577 (-3.39%)	-883 (-39.28%)	944 (347.06%)	10 918 (29.70%)	397	10 035	-5.31	-2.98	0.88	2.98	
2017	441 (2.68%)	462 (33.85%)	47 (3.87%)	-3 311 (-6.94%)	488	-2 850	-0.08	1.17	5.31	-1.17	
2018	-77 (-4.60%)	-179 (-9.80%)	-671 (-53.13%)	-6 175 (-13.92%)	-1 448	-6 353	3.42	0.19	-3.42	-0.19	
2019	-2 081 (-12.92%)	692 (41.99%)	-210 (-35.47%)	-6 124 (-16.03%)	-2 291	-5 432	0.89	2.66	-0.89	-2.66	

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.26 shows that for the Free State Province, the number of people employed in informal activities (non-agricultural) in the tribal areas was 12 853 in 2008 and rose by only 2% to 13 053 in 2019. Over the 11 years, the number of people employed in informal activities (non-agricultural) in the rural areas decreased from 4 229 in 2008 to 2 823 in 2019, a change of 33%. In the case of employment in the agriculture, the number employed in the tribal areas dropped from 828 in 2008 to 382 in 2019, which is a 54% decrease over the eleven-year period. There was a decline in the number of people employed in agriculture in the rural areas from 50 770 in 2008 to 32 070 in 2019, a decrease of 37% over the period. It is clear that for informal activities and agriculture in the rural areas, the percentage change in employment was a decrease of 30% over the period.

Table 4.26 also highlights the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 90% in the tribal areas whilst the figure for rural areas varied over the period. Agriculture as a percentage of total employment in the rural areas comprised over 90% over the eleven-year period. By stark contrast, agriculture as a percentage of total employment in the tribal areas was below 10% over the same the period.

Table 4.27. Number of people employed in informal activities (non-agricultural) and agriculture in the tribal and rural formal areas in the Northern Cape Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)		Number employed in Agriculture		Total employment: informal activities & agriculture		Informal activities as % of total employment		Agriculture as % of total employment		
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	
2008	4 014	1 583	665	42 130	4 679	43 173	85.79	3.67	14.21	96.33	
2009	3 763	2 129	705	35 560	4 468	37 689	84.22	5.65	15.78	94.35	
2010	4 786	1 962	392	25 895	5 178	27 857	92.43	7.04	7.57	92.96	
2011	3 760	1 042	731	32 019	4 491	33 061	83.72	3.15	16.28	96.85	
2012	5 091	1 335	460	27 452	5 551	28 787	91.71	4.64	8.29	95.36	
2013	4 523	1 359	510	28 776	5 033	30 135	89.87	4.51	10.13	95.49	
2014	3 418	1 085	550	26 700	3 968	27 785	86.14	3.90	13.86	96.10	
2015	6 145	2 284	218	22 315	6 363	24 599	96.57	9.28	3.43	90.72	
2017	5 952	3 481	334	21 578	6 286	25 059	94.69	13.89	6.31	86.11	
2018	4 251	806	803	19 971	5 054	20 777	84.11	3.88	15.88	96.12	
2019	5 078	2 437	1 484	17 657	6 562	20 094	77.38	12.13	22.62	87.87	
	Annual change										
2009	-251 (-6.25%)	546 (34.49%)	40 (6.02%)	-6 568 (-15.59%)	-211	-5 484	-1.57	1.98	1.57	-1.98	
2010	1 023 (27.19%)	-167 (-7.84%)	-313 (-44.40%)	-9 665 (-27.18%)	710	-9 832	8.21	1.39	-8.21	-1.39	
2011	-1 026 (-21.44%)	-920 (-46.89%)	339 (86.48%)	6 124 (23.65%)	-687	5 204	-8.71	-3.89	8.71	3.89	
2012	1 531 (40.72%)	293 (28.12%)	-271 (-37.07%)	-4567 (-4.26%)	1 060	-4 274	7.99	1.49	-7.99	-1.49	
2013	-568 (-10.74%)	24 (1.80%)	50 (10.87%)	1 324 (10.87%)	-518	1 348	-1.84	-0.13	1.84	0.13	
2014	-1 105 (-24.43%)	-74 (-5.46%)	40 (7.84%)	-2 076 (-7.21%)	-1 065	-2 350	-3.73	-0.61	3.73	0.61	
2015	2 727 (79.78%)	1 199 (110.51%)	-332 (-60.36%)	-4 385 (-16.42%)	2 395	-3 186	10.43	5.38	-10.43	-5.38	
2017	-193 (-3.14%)	1 197 (52.41%)	116 (53.21%)	-737 (-3.30%)	-77	460	-1.88	4.61	2.88	-4.61	
2018	-1 701 (-28.58%)	-2 675 (-76.85%)	469 (140.42%)	-1 607 (-7.45%)	-1 232	-4 282	-10.58	-10.01	9.57	10.01	
2019	827 (19.45%)	1 631 (202.36%)	681 (84.81%)	-2 314 (-11.59%)	1 508	-633	-6.73	8.25	6.74	-8.25	

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.27 shows that for the Northern Cape Province, the number of people employed in informal activities (non-agricultural) in the tribal areas increased somewhat erratically from 4 014 in 2008 to 5 078 in 2019, which was an increase of 27% over the eleven-year period. At the same time, the number of people employed in informal activities (non-agricultural) in the rural areas increased by 54% from 1 583 in 2008 to 2 437 in 2019. In the case of those employed employment in agriculture in the tribal areas increased from 665 in 2008 to 1 484 in 2019, pointing to a 123% increase over the eleven-year period. The number of people employed in agriculture in the rural areas showed significant decline from 42 130 in 2018 to 17 657 in 2019, a 58% decrease over the period. It is clear that only for agriculture in the tribal areas, the percentage change in employment exceeded 100% over the period.

Table 4.27 also shows the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) comprised over 80% in the tribal areas for most of the period except, in 2010, 2012, 2015 and 2017, where it increased by over 90% whilst the figure for rural areas was above 10% for most the period except in 2019, where it was above 20%. Agriculture as a percentage of total employment in rural areas comprised over 90% for most of the period excepting during 2019, where it was in the mid 80% region. On the other hand, agriculture as a percentage of total employment in tribal areas was below 20% over the period except in 2019, where it increased to 22.62%.

Table 4.28. Number of people employed in informal activities (non-agricultural) and agriculture in the rural formal areas in the Western Cape Province, 2008-2019 in thousands

Years	Number employed Informal activities (non-agricultural)	Number employed Agriculture	Total employment: in informal activities & agriculture	Informal activities as % of total employment	Agriculture as % of total employment
	Rural	Rural	Rural	Rural	Rural
2008	2 230	92716	94 946	2.35	97.65
2009	1 462	96188	97 650	1.50	98.50
2010	2 133	102524	104 657	20.02	79.98
2011	2 993	71942	74 935	3.99	96.01
2012	2 339	89247	91 586	2.55	97.45
2013	3 701	103930	107 631	3.44	96.56
2014	2 388	84345	86 733	2.75	97.25
2015	2 333	152955	70 943	3.29	96.71
2017	4 200	110 427	114 627	3.66	96.34
2018	6 559	117 786	124 345	5.27	94.73
2019	3 811	145 655	149 466	19.58	80.42
	Annual Change				
2009	-768 (-34.44%)	3472 (3.74%)	-5 484	1.98	20.02
2010	671 (45.90%)	6336 (6.59%)	-9 832	1.39	3.99
2011	860 (40.32%)	-30582 (-29.83%)	5 204	-3.89	2.55
2012	-654 (-21.85%)	17305 (24.05%)	-4 274	1.49	3.44
2013	1362 (59.09%)	14683 (16.45%)	1 348	-0.13	2.75
2014	-1313 (-35.48%)	-19585 (-18.84%)	-2 350	-0.61	3.29
2015	-55 (-2.30%)	68610 (81.34%)	-3 186	5.38	-
2017	1 861 (80.03%)	-42 528 (-27.80%)	460	4.61	3.66
2018	2 359 (56.17%)	7 359 (6.66%)	-4 282	-10.01	5.27
2019	-2 748 (-41.90%)	27 869 (23.66%)	-633	8.25	19.58

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.28 shows that for the Western Cape Province the number of people employed in informal activities (non-agricultural) in the rural areas increased from 2 230 in 2008 to 3 811 in 2019, which was an increase of 71% over the eleven-year period. In the case of employment in the agriculture, the number employed in the rural areas increased from 92 716 in 2008 to 145 655 in 2019, an increase of 57% over the eleven-year period. Table 4.28 also shows divisions in total employment between informal sector activities (non-agricultural) and agriculture in the rural areas. Agriculture as a percentage of total employment in rural areas comprised over 90% for most of the period, except in 2019 where it decreased to 80.42%. The percentage of employment in informal activities (non-agricultural) in the rural areas was just below 5% for most of the period besides in 2010 where it was around 20%.

Table 4.29. Number of people employed in informal activities (non-agricultural), 2008-2019 in thousands

Year	Limpopo	Eastern Cape	KwaZulu-Natal	North West	Total employment	% employed In Limpopo	% employed in Eastern Cape	% employed in KZN	% employed in North West
2008	215 544	166 059	241 920	69 094	693 948	31.06	23.93	34.86	9.96
2009	228 697	154 754	207 050	57 021	622 550	36.74	24.86	33.26	9.16
2010	249 367	149 001	190 165	52 286	618 644	40.31	24.09	30.74	8.45
2011	233 924	120 478	198 148	45 927	577 613	40.50	20.86	34.30	7.95
2012	267 700	133 829	168 612	55 429	606 541	44.14	22.06	27.80	9.14
2013	282 433	138 614	180 431	64 502	643 231	43.91	21.55	28.05	10.03
2014	296 558	125 467	213 503	63 627	672 673	44.09	18.65	31.74	9.46
2015	278 579	132 846	209 627	61 005	663 851	41.96	20.01	31.58	9.19
2017	313 872	142 550	203 920	81 080	720 546	43.56	19.78	28.30	11.25
2018	342 516	140 561	230 980	71 030	759 508	45.10	18.51	30.41	9.26
2019	322 438	138 058	249 265	62 322	736 952	43.75	18.73	33.82	8.46
Annual Change									
2009	13 152 (6.1%)	-11 305 (-6.8%)	-34 870 (-14.4%)	-12 073 (-17.5%)	-71 398 (-10.3%)	5.68	0.93	-1.60	-0.80
2010	21 000 (9.2%)	-5 753 (-3.7%)	-16 885 (-8.2%)	-4 735 (-8.3%)	-3 906 (-0.6%)	3.57	-0.80	-2.50	-0.70
2011	-15 443 (-6.2%)	-28 523 (-19.1%)	7 983 (4.2%)	-6 359 (-12.2%)	-41 031 (-6.6%)	0.19	-3.23	3.56	-0.50
2012	34 406 (14.7%)	13 351 (11.1%)	-29 536 (-14.7%)	9 502 (20.7%)	28 928 (5%)	3.60	1.20	-6.50	1.19
2013	14 733 (5.5%)	4 785 (3.6%)	11 819 (7%)	9 073 (16.37%)	36 690(6%)	-0.23	-0.51	0.25	0.89
2014	14 125 (5%)	-13 147 (-9.5%)	33 072 (18.3%)	-875 (-1.4%)	29 442 (4.6%)	0.18	-2.90	3.69	-0.57
2015	-17 979 (-6.1%)	7 379 (5.9%)	-4 236 (-2%)	-2 622 (-4.1%)	-8 822 (-1.3%)	-2.13	1.36	-0.16	-0.247
2017	35 293 (12.7%)	9 704 (7.3%)	27 060 (13.3%)	20 075 (32.9%)	56 695 (8.5%)	1.60	-0.23	-3.28	2.06
2018	28 644 (9.1%)	-1 989 (-1.4%)	27 060 (13.3%)	-10 050 (-12.4%)	38 962 (5.4%)	1.54	-1.27	2.11	-1.99
2019	-20 078 (-5.9%)	-2 503 (-1.8%)	18 285 (7.9%)	-8 708 (-12.26%)	-22 556 (-3%)	-1.35	0.22	3.41	-0.80

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.29 shows the number of people employed in informal activities (non-agricultural) in the four Provinces that have a high proportion of people living in rural areas. The number of people employed in informal activities (non-agricultural) in the Limpopo Province increased from 215 544 in 2008 to 322 438 in 2019, which represents an increase of 50%. In the KwaZulu-Natal Province, the number of people employed in informal activities (non-agricultural) increased by 3% overall from 241 920 in 2008 to 249 265 in 2019. Over the eleven-year period in the Eastern Cape Province, the number of people employed in informal activities (non-agricultural) fell by 17% from 166 059 in 2008 to 138 058 in 2019. In the North West Province, the number of people employed in informal activities (non-agricultural) decreased from 69 094 in 2008 to 62 322 in 2019, a change of 10% over the period. It is clear that only in the Limpopo Province, the percentage change in employment comprised 50% over the period.

Table 4.29 also depicts the division in total employment between informal sector activities (non-agricultural) and agriculture in the four provinces. Informal activities (non-agricultural) as a percentage of total employment comprised over 40% in the Limpopo Province except in 2008-2009, where it was just above 30%. In KwaZulu-Natal, informal activities were just over 30% for most of the years besides in 2012, 2013 and 2017, where it was in the mid 20% region. On the other hand, informal activities constituted above 20% in the Eastern Cape Province except in 2014, 2018 and 2019, where it fell to just below 20%. Informal activities in the North West Province comprised just over 9% for most years except in 2013 and 2017, where it reached 10.03% and 11.25%, respectively.

4.5.1. Characteristics of workers engaged in informal activities (non-agricultural)

Many studies have shown that participation in rural non-farm activities often depends on many underlying factors. In this regard, studies have shown that participation in rural non-farm activities is influenced by gender, age group and level of education. In this section, some defining characteristics of workers engaged in informal activities (non-agricultural) are presented.

4.5.1.1. Gender composition of employment in informal activities (non-agricultural)

Table 4.30. Gender composition of employment in informal activities (non-agricultural) in the Limpopo Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed: Male & Female		% Employment			
	Male		Female		Tribal	Rural	Male		Female	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	98 643	1 492	114 327	1 082	212 970	2 574	46.32	57.96	53.68	42.04
2009	107 577	3 341	115 568	2 211	223 145	5 552	48.21	60.18	51.79	39.82
2010	132 158	1 096	113 921	2 192	246 079	3 288	53.71	33.33	46.29	66.67
2011	124 963	1 456	106 227	1 278	231 190	2 734	54.05	53.26	45.95	46.74
2012	149 245	2 632	114 983	841	264 228	3 473	56.48	75.78	43.52	24.22
2013	149 442	2 254	126 161	5 116	275 603	7 370	54.22	30.58	45.78	69.42
2014	167 655	5 813	122 521	569	290 176	6 332	57.78	91.80	42.22	8.20
2015	165 619	1 645	110 391	923	276 010	2 568	60	61.89	40	38.11
2017	179 212	2 165	131 002	1 493	310 214	3 652	57.77	59.28	42.23	40.72
2018	206 794	1 446	133 363	914	340 157	2 360	60.79	61.27	39.21	38.73
2019	195 849	4 971	120 042	1 570	315 891	6 541	62	76	38	24
	Annual change									
2009	8 934 (9.06%)	1 849 (123.9%)	1 241 (1.09%)	1 129 (104.3%)	10 175 (4.78%)	2 978 (115.70%)	1.89	2.22	-1.89	-2.22
2010	24 581 (22.85%)	-2 245 (-67.20%)	-1 647 (-1.43%)	-19 (-0.86%)	22 935 (10.28%)	-2 265 (-40.80%)	5.5	-26.85	-5.5	26.85
2011	-7 195 (-5.44%)	360 (32.85%)	-7 694 (-6.75%)	-914 (-41.70%)	-14 890 (-6.05%)	-553 (-16.82%)	0.34	19.93	-0.34	-19.93
2012	24 282 (19.43%)	1 176 (80.77%)	8 755 (8.24%)	-437 (-34.19%)	33 037 (14.29%)	739 (27.03%)	2.43	22.52	-2.43	-22.52
2013	197 (0.13%)	-378 (-14.36%)	11 178 (9.72%)	4 275 (508.3%)	10 836 (4.10%)	3 897 (112.21%)	-2.26	-45.2	2.26	45.2
2014	18 213 (12.19%)	3 559 (157.9%)	-3 640 (-2.89%)	-4 547 (-86.88%)	15 113 (5.15%)	-988 (-13.41%)	3.56	61.22	-3.56	61.22
2015	-2 036 (-1.21%)	-4 168 (-71.70%)	-12 130 (-9.90%)	354 (62.21%)	-14 165 (-4.88%)	-3 814 (-59.76%)	2.22	-28.91	-2.22	29.91
2017	13 593 (8.21%)	520 (31.61%)	20 611 (18.67%)	570 (61.76%)	34 203 (12.39%)	1 090 (42.45%)	-2.23	2.61	2.23	2.61
2018	27 582 (15.39%)	-719 (-33.21%)	2 361 (1.80%)	-579 (-38.78%)	29 943 (9.65%)	-1 299 (-35.51%)	3.02	1.99	-3.02	-1.99
2019	-10 945 (-5.29%)	3 525 (243.8%)	-13 321 (-9.91%)	656 (71.77%)	-24 260 (-7.13)	4 182 (177.28%)	1.21	14.73	-1.21	-14.73

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.30 shows that for the Limpopo Province, the number of males employed in informal activities (non-agricultural) in the tribal areas rose from 98 643 in 2008 to 195 849 in 2019, a substantial increase of 95% over the eleven-year period. At the same time, the number of males employed in informal activities (non-agricultural) in the rural areas increased from 1 492 in 2008 to 4 971 in 2019, a highly notable 233% increase over the same period. For the employment of females in informal activities (non-agricultural), the number employed in the tribal areas increased from 114 327 in 2008 to 120 042 in 2019, a 5% increase over the eleven-year period. The number of females employed in informal activities (non-agricultural) in the rural areas rose from 1 082 in 2008 to 1 570 in 2019, a 45% increase over the period. It is clear that only for male employment in informal activities (non-agricultural) in the rural areas, the percentage change in employment exceeded 200%.

Table 4.30 also shows the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for males comprised over 50% in the tribal areas for male participants for most years, except in 2018 and 2019, where it increased to 60.79% and 62% respectively, whilst the figure for rural areas varied over the period. On the other hand, the total employment of females as a percentage of total employment in the tribal areas comprised over 40% for most of the years, other than in 2018 and 2019 where it decreased to 39.21% and 38%, respectively. The total employment of females in informal activities (non-agricultural) as a percentage of total employment in rural areas varied over the period but peaked at 69.42% in 2013 and was the lowest in 2014 at 8.20%.

Table 4.31. Gender composition of employment in informal activities (non-agricultural) in the Eastern Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total Employed: Male & Female		% Employed			
	Male		Female				Male		Female	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	87 185	1 307	76 644	923	163 829	2 230	53.21	58.61	46.79	41.39
2009	88 642	1 154	64 595	363	153 237	1 517	57.85	76.07	42.15	23.93
2010	83 172	554	65 286	0	148 447	554	56.03	100	43.97	0
2011	67 693	661	52 124	0	119 817	661	56.50	100	43.50	0
2012	80 526	331	52 800	171	133 327	502	60.40	65.94	39.60	34.06
2013	84 546	364	53 021	682	137 567	1 047	61.46	34.76	38.54	65.23
2014	65 927	1 003	57 205	1 332	123 132	2 335	53.54	42.96	46.46	57.04
2015	83 872	1 272	47 449	253	131 321	1 525	63.87	83.41	36.13	16.59
2017	80 924	2 891	56 075	2 661	136 998	5 552	59.07	52.07	40.93	47.93
2018	86 575	2 989	49 526	1 469	136 102	4 459	63.61	67.03	36.39	32.97
2019	84 770	2 983	49 639	663	134 409	3 649	63.07	81.75	39.93	18.25
	Annual change									
2009	1 457 (1.67%)	-153 (-11.71%)	-12 049 (-15.72%)	-560 (-60.67%)	-10 592 (-6.47%)	-713 (-31.97%)	4.64	17.46	-4.64	-17.46
2010	-5 470 (-6.17%)	-600 (-51.99%)	681 (1.05%)	-363 (-100%)	-4 790 (-3.13%)	-963 (-64.14%)	-1.82	23.93	1.82	-23.93
2011	-15 479 (-18.61%)	107 (19.321%)	-13 152 (-20.15%)	0	-28 630 (-19.29%)	107 (19.67%)	0.47	0	-0.47	0
2012	12 830 (18.95%)	-330 (-49.92%)	676 (1.30%)	17 (100%)	13 510 (11.28%)	-159 (-24.05%)	3.9	-34.06	-3.9	34.06
2013	2 020 (2.57%)	33 (9.97%)	221 (0.42%)	511 (298.80%)	4 240 (3.18%)	545 (108.57%)	1.06	-31.18	-1.06	31.17
2014	-18 619 (-22.02%)	639 (175.60%)	4 184 (7.89%)	650 (95.31%)	-14 435 (-10.49%)	1 288 (123.02%)	-7.92	8.2	7.92	-8.19
2015	17 945 (27.22%)	269 (26.82%)	-9 756 (-17.05%)	-1 079 (-81%)	8 189 (6.65%)	-810 (34.69%)	10.33	40.45	-10.33	-40.45
2017	-2 948 (-3.51%)	1 619 (127.30%)	8 626 (18.18%)	2408 (951.80%)	5 677 (4.32%)	4 027 (264.07%)	-4.8	-31.34	4.8	31.34
2018	5 651 (6.98%)	98 (3.39%)	-6 549 (-11.68%)	-1 192 (-44.80%)	-896 (-0.65%)	-1 093 (-19.67%)	4.54	14.96	-4.54	-14.96
2019	-1 805 (-2.08%)	-6 (-0.20%)	113 (0.23%)	-806 (-54.87%)	-1 693 (-1.24%)	-813 (18.23%)	-0.54	14.72	3.54	-14.72

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.31 shows that for the Eastern Cape Province, the number of males employed in informal activities (non-agricultural) in the tribal areas decreased from 87 185 in 2008 to 84 770 in 2019, a decrease of 3% over the eleven-year period. However, the number of males employed in informal activities (non-agricultural) in the rural areas increased from 1 307 in 2008 to 2 983 in 2019, amounting to 128% increase over the same period. In the case of employment of females in informal activities (non-agricultural), the number employed in the tribal areas decreased from 76 644 in 2008 to 49 639 in 2019, a fall of 35% over the eleven-year period. The number of females employed in informal activities (non-agricultural) in the rural areas declined by 28% from 923 in 2008 to 663 in 2019, over the period. It is clear that for male employment, the percentage change in employment exceeded 100% in the rural areas.

Table 4.31 also indicates the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for male employment comprised over 50% in the tribal areas increasing to over 60% for most years whilst it varied for the rural areas but peaked at 83.41% in 2015. The total employment of females as a percentage total employment in the tribal areas was below 50% over the eleven-year period. On the other hand, the total employment of females as a percentage of total employment in rural areas varied over the period but peaked at 65.23% in 2013 and was the lowest in 2015 at 16.59%.

Table 4.32. Gender composition of employment in informal activities (non-agricultural) in KwaZulu-Natal Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed: Male & Female		% Employed			
	Male		Female		Tribal	Rural	Male		Female	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	111 755	2 524	120 009	7 633	231 764	10 156	48.22	24.85	51.78	75.15
2009	98 131	4 362	99 892	4 663	198 024	9 026	49.56	48.33	50.44	51.67
2010	85 180	8 292	89 413	7 280	174 593	15 572	48.79	53.25	51.21	46.75
2011	98 737	8 585	84 079	6 747	182 816	15 332	54.01	55.99	45.99	44.01
2012	182 332	4 581	75 821	5 877	258 153	10 458	70.63	43.80	29.37	56.20
2013	93 200	7 622	74 513	5 096	167 713	12 718	65.87	59.93	34.13	40.07
2014	110 469	7 227	89 677	6 130	200 146	13 357	55.19	54.11	44.81	45.89
2015	110 565	3 555	89 682	8 525	200 247	9 380	55.17	37.90	44.83	62.10
2017	99 595	4 303	96 244	3 778	195 839	8 081	50.86	53.25	49.14	46.75
2018	122 624	5 429	95 367	7 560	217 991	12 989	56.25	41.80	43.75	58.20
2019	133 893	8 626	96 669	10 077	230 562	18 703	58.07	46.12	41.93	53.88
	Annual change									
2009	-13 624 (-12.19%)	1 838 (72.82)	-20 117 (-16.76%)	-2 970 (-38.91%)	-33 740 (-14.56%)	-1 130 (-11.13%)	1.34	23.48	-1.34	-23.48
2010	-12 951 (-13.20%)	3 930 (90.10%)	-10 479 (-10.49%)	2 619 (56.17%)	-23 431 (-11.83%)	6 546 (72.56%)	-0.77	4.92	0.77	-4.92
2011	13 555 (15.91%)	293 (3.53%)	-5 334 (-5.97%)	-535 (-7.35%)	8 223 (4.71%)	-240 (-1.54%)	5.22	2.74	-5.22	-2.74
2012	16 405 (16.61%)	-3 954 (-46.06%)	-8 258 (-9.82%)	-870 (-12.89%)	-24 662 (-13.49%)	-4 874 (-31.79%)	16.62	-12.19	-16.62	12.19
2013	-10 868 (-13.20%)	3 041 (66.38%)	-1 308 (-1.73%)	-781 (-13.29%)	9 559 (6.04%)	2 260 (21.61%)	-4.76	16.13	4.76	-16.13
2014	17 269 (18.53%)	-395 (-5.18%)	15 164 (20.35%)	1 034 (20.29%)	32 433 (19.34%)	639 (5.02%)	-10.68	-5.82	10.68	5.82
2015	96 (0.09%)	-3 672 (-50.81%)	5 (0.01%)	2 395 (39.07%)	101 (0.05%)	-3 977 (-29.77%)	-0.02	-16.21	0.02	16.21
2017	-10 970 (-9.92%)	748 (21.04%)	6 382 (7.12%)	-4 747 (-55.68%)	-4 408 (-2.20%)	-1 299 (-13.85%)	-4.31	15.35	4.31	-15.35
2018	23 029 (23.12%)	1 1256 (26%)	-877 (-0.91%)	3 782 (100%)	22 152 (11.31%)	4 908 (60.74%)	5.39	-11.45	-5.39	11.45
2019	11 269 (9.19%)	3 197 (58.89%)	1 302 (1.37%)	2 517 (33.29%)	12 571 (5.77%)	5 714 (43.99%)	1.82	4.32	-1.82	-4.32

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.32 shows that for the KwaZulu-Natal Province, the number of males employed in informal activities (non-agricultural) in the tribal areas increased from 111 755 in 2008 to 133 893 in 2019, which was an increase of 20% over the eleven-year period. At the same time, the number of males employed in informal activities (non-agricultural) in the rural areas increased from 2 524 in 2008 to 8 626 in 2019, amounting to 242% increase over the same period. In case of employment of females in informal activities (non-agricultural), the number employed in the tribal areas decreased from 120 009 in 2008 to 96 669 in 2019, pointing to a 19% decrease over the eleven-year period. However, the number of females employed in informal activities (non-agricultural) in the rural areas increased from 7 633 in 2008 to 10 077 in 2019, which indicates a 32% over the period. It is clear that for male employment, the percentage change in employment exceeded 200% in the rural areas.

Table 4.32 also depicts the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for males comprised over 50% in the tribal areas for most of the years and even increased. The total employment of females as a percentage of total employment in the tribal areas varied over the period but peaked at 51.78% in 2008 and then fell to 29.37% in 2012. The total employment of females involved in informal activities (non-agricultural) as a percentage of total employment in rural areas varied over the period but peaked at 75.15% in 2008 and was the lowest in 2013 at 40.07%.

Table 4.33. Gender composition of employment in informal activities (non-agricultural) in the North West Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed: Male& Female		% Employed			
	Male		Female		Tribal	Rural	Male		Female	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	29 913	4 815	24 472	5 894	58 385	10 709	51.23	44.96	48.77	55.04
2009	29 223	3 289	18 992	5 598	48 144	8 877	60.70	37.05	39.30	62.95
2010	31 187	492	18 337	2 271	49 524	2 762	62.97	17.81	37.03	82.19
2011	29 294	1 110	14 496	1 027	43 790	2 137	66.90	51.94	33.10	48.06
2012	31 034	1 708	19 799	2 888	50 833	4 596	61.05	37.16	38.95	62.84
2013	38 309	567	24 578	1 048	62 888	1 614	60.92	35.13	39.08	64.87
2014	40 742	3 067	18 476	1 341	59 219	4 408	68.34	69.58	31.66	30.42
2015	37 796	2 478	18 475	2 255	56 272	4 733	67.17	52.36	32.83	47.64
2017	53 610	1 983	23 885	1 602	77 495	3 585	69.18	55.31	30.82	44.69
2018	46 160	4 104	19 099	1 667	65 258	5 772	70.73	71.10	29.27	28.90
2019	37 848	4 519	18 236	1 719	56 084	6 238	67.48	72.44	32.52	27.56
	Annual change									
2009	-690 (-2.31%)	-1 526 (-31.69%)	-5 550 (-22.68%)	-306 (-5.19%)	-6 241 (-11.48%)	-1 832 (-17.11%)	9.47	-7.91	-9.47	7.91
2010	1 964 (6.72%)	-2 797 (-85.04%)	-585 (-3.09%)	-3 317 (-59.36%)	-1 380 (2.89%)	-6 115 (-68.89%)	2.27	-19.24	-2.27	19.24
2011	1 893 (-6.07%)	618 (125.61%)	-3 841 (-20.95%)	-1 244 (-54.78%)	-5 734 (-11.58%)	-625 (-22.63%)	3.93	34.13	-3.93	-34.13
2012	1 740 (5.94%)	598 (53.87%)	5 303 (36.58%)	1 861 (181.20%)	7 043 (16.08%)	2 459 (115.07%)	-5.85	-14.78	5.85	14.78
2013	7 275 (23.44%)	-1 141 (-66.80%)	4 799 (24.24%)	-1 840 (-63.71%)	12 055 (23.71%)	-2 982 (-64.88%)	-0.13	-2.03	0.13	2.03
2014	2 433 (6.35%)	2 500 (440.90%)	-6 102 (-24.83%)	293 (27.96%)	-3 669 (-5.83%)	2 794 (173.11)	7.42	34.45	-7.42	-34.45
2015	-2 676 (-6.57%)	-589 (-19.20%)	-1 (-0.05%)	914 (68.16%)	-2 947 (-4.98%)	305 (6.92%)	-1.17	-17.22	1.17	17.22
2017	15 814 (41.84%)	-492 (-19.85%)	5 410 (29.28%)	-653 (-28.96%)	21 223 (37.72%)	-1 148 (-24.26%)	2.01	2.95	-2.01	-2.95
2018	-7 450 (-13.90%)	2 121 (107%)	-4 786 (-20.04%)	65 (4.06%)	-12 237 (-15.79%)	2 187 (61%)	1.55	15.79	-1.55	-15.79
2019	-8 312 (-18.01%)	415 (10.11%)	-863 (-4.52%)	52 (3.14%)	-9 174 (-14.06%)	466 (8.07%)	-3.25	1.34	3.32	-1.34

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.33 indicates that for the North West Province, the number of males employed in informal activities (non-agricultural) in the tribal areas increased from 29 913 in 2008 to 37 848 in 2019, which was an increase of 27% over the eleven year period. However, the number of males employed in informal activities (non-agricultural) in the rural areas decreased from 4 815 in 2008 to 4 519 in 2019, a 6% decrease over the period. In the case of employment of females in informal activities (non-agricultural), the number employed in the tribal areas decreased from 24 472 in 2008 to 18 236 in 2019, a 25% decrease over the eleven-year period. Similarly, the number of females employed in informal activities (non-agricultural) in the rural areas decreased from 5 894 in 2008 to 1 719 in 2019, a substantial 70% decrease over the period. It is clear that only for female employment in informal activities (non-agricultural) in the rural areas, the percentage change in employment declined 50%.

Table 4.33 also shows the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for males comprised over 60% in the tribal areas for most of the years, except in 2018 where it increased to 70.73% whilst the figure for the rural areas varied over the same period. The total employment of females as a percentage of total employment in the tribal areas comprised over 30% for most of the years except in 2008, where it increased to 48.77%. On the other hand, the total employment of females as a percentage of total employment in the rural areas, varied below 70% for most years except in 2010, where it increased to 82.19%.

Table 4.34. Gender composition of employment in informal activities (non-agricultural) in Mpumalanga Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed: Male & Female		% Employed			
	Male		Female		Tribal	Rural	Male		Female	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	69 767	3 652	77 941	2 666	147 709	6 318	47.23	57.80	52.77	42.20
2009	57 789	4 955	63 890	5 635	121 679	10 590	47.49	46.79	52.51	53.21
2010	51 012	5 888	56 397	1 691	117 409	7 579	43.45	77.69	56.55	22.31
2011	62 627	2 524	63 100	3 146	125 727	5 669	49.81	44.52	50.19	55.48
2012	79 039	1 406	66 420	3 045	145 460	4 451	54.34	31.59	45.66	68.41
2013	79 144	2 592	65 329	4 665	144 473	7 257	54.78	35.72	45.22	64.28
2014	73 040	1 024	50 281	2 864	123 321	3 888	59.23	26.34	40.77	73.66
2015	72 806	4 215	45 206	2 466	118 012	6 681	61.69	63.09	38.31	36.91
2017	99 965	3 185	68 534	5 468	168 499	8 652	59.33	36.81	40.67	63.19
2018	95 851	2 204	66 415	2 823	162 266	5 027	59.07	43.84	40.93	56.16
2019	97 669	3 208	70 531	2 069	168 200	5 277	58.07	60.79	41.93	39.21
	Annual change									
2009	-11 978 (-17.77%)	1 303 (35.68%)	-14 409 (-18.03%)	2 969 (111.37%)	-26 030 (-17.62%)	4 272 (67.62%)	0.26	-11.01	-0.26	11.01
2010	3 223 (5.58%)	933 (18.83%)	-7 459 (-11.73%)	-3 944 (-69.99%)	-4 270 (-3.57)	-3 013 (-28.45%)	-4.04	30.9	4.04	-30.9
2011	1 615 (2.65%)	-3 364 (-57.13%)	6 703 (11.86%)	1 455 (86.04%)	8 318 (7.08%)	-1 910 (-25.20%)	6.36	-33.17	-6.36	33.17
2012	16 412 (26.21%)	-1 118 (-44.29%)	3 320 (5.26%)	-101 (-3.21%)	19 733 (15.70%)	-1 218 (-21.49%)	4.53	-12.93	-4.53	12.93
2013	105 (0.13%)	1 186 (84.35%)	-1 091 (-1.64%)	1 620 (53.20%)	-987 (-0.68%)	2 806 (63.04%)	0.44	4.13	-0.44	-4.13
2014	-6 104 (-7.71%)	-1 568 (-60.49%)	-15 048 (-23.03%)	-1 801 (-38.61%)	-21 152 (-14.64%)	-3 369 (-46.42%)	4.45	-9.38	-4.45	9.38
2015	-234 (-0.33%)	3 191 (311.06%)	-5 075 (-10.09%)	-398 (-13.90%)	-5 309 (-4.31%)	2 793 (71.84%)	2.46	36.75	-2.46	-36.75
2017	27 159 (37.30%)	-1 030 (-24.44%)	23 328 (51.60%)	3 002 (121.74%)	50 487 (42.78%)	1 971 (29.50%)	-2.36	-23.28	2.36	26.28
2018	-4 108 (-4.11%)	-981 (-30.80%)	-2 119 (-3.09%)	-2 645 (-48.37%)	-6 233 (-3.70%)	-3 625 (-41.90%)	-0.26	7.03	0.26	-7.03
2019	1 818 (1.90%)	1 004 (45.55%)	4 116 (6.20%)	-784 (-27.77%)	5 934 (3.66%)	250 (49.31%)	-1	16.95	1	-16.95

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.34 indicates that for the Mpumalanga Province, the number of males employed in informal activities (non-agricultural) in the tribal areas increased from 69 767 in 2008 to 97 669 in 2019, which was an increase of 40% over the eleven-year period. However, the number of males employed in informal activities (non-agricultural) in the rural areas decreased from 3 652 in 2008 to 3 208 in 2019, amounting to a 12% decrease over the same period. In case of employment of females in informal activities (non-agricultural), the number employed in the tribal areas decreased from 77 941 in 2008 to 70 531 in 2019, a decrease of 10% over the eleven-year period. In the same period, the number of females employed in informal activities (non-agricultural) in the rural areas decreased from 2 666 in 2008 to 2 069 in 2019, which indicates a 22% decrease over the period. It is clear that only for male employment in informal activities (non-agricultural) in the tribal areas, the percentage change in employment comprised 40%.

Table 4.34 also shows the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for males comprised over 50% in the tribal areas for most years except, from 2008-2011, where it comprised over 40% from 2008-2011 whilst the figure varied for the rural areas but peaked at 77.69% in 2010. The total employment of females as a percentage of total employment in the tribal areas comprised over 40% for most years except from 2008-2011 where it comprised over 50%. On the other hand, the total employment of females as a percentage of total employment in the rural areas varied over the eleven-year period and fell to 22.31% in 2010 but peaked at 73.66% in 2014.

Table 4.35. Gender composition of employment in informal activities (non-agricultural) in the Gauteng Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed: Male & Female		% Employed			
	Male		Female		Tribal	Rural	Male		Female	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	7 422	2 531	2 091	1 618	9 513	4 148	78.02	61.02	21.98	38.98
2009	4 919	2 069	614	269	5 533	2 338	88.90	88.49	11.10	11.51
2010	7 788	1 773	2 079	1 244	9 867	3 016	78.93	58.79	21.07	41.21
2011	7 937	1 371	1 679	832	9 616	2 202	82.54	62.26	17.46	37.74
2012	5 989	3 544	2 331	992	8 320	4 536	71.98	78.13	28.02	21.87
2013	6 841	1 285	3 035	311	9 876	1 596	69.27	80.51	30.73	19.49
2014	5 790	2 309	2 021	2 297	7 810	4 606	74.14	50.13	25.86	49.87
2015	7 242	0	3 340	0	10 582	0	68.44	0	31.56	0
2017	4 089	4 387	3 477	528	7 566	4 915	54.04	0	45.96	0
2018	8 047	3 403	6 199	1 235	14 246	4 638	56.49	73.37	43.51	26.63
2019	7 391	5 422	1 105	2 370	8 496	7 791	86.99	69.59	13.01	30.41
	Annual change									
2009	-2 503 (-33.72%)	-462 (-18.25%)	-1 477 (-70.64%)	-1 349 (-83.37%)	-3 980 (-41.84%)	-1 810 (-43.64%)	10.88	27.47	-10.88	-27.47
2010	2 869 (58.32%)	-296 (-14.31%)	1 465 (238.60%)	975 (36.23%)	4 334 (78.33%)	678 (29%)	-9.97	-29.7	9.97	29.7
2011	149 (1.19%)	-402 (-22.67%)	-400 (-19.24%)	-412 (-33.12%)	-251 (-2.54%)	-814 (-26.99%)	3.61	3.47	-3.61	-3.47
2012	-1 948 (-24.54%)	2 173 (158.50%)	652 (38.83%)	160 (19.23%)	-1 296 (-13.48%)	2 334 (105.99%)	-10.56	15.87	10.56	-15.87
2013	852 (14.23%)	-2 259 (-63.74%)	704 (30.20%)	-681 (-68.85%)	1 556 (18.70%)	-2 940 (-64.81%)	-2.71	2.38	2.71	-2.38
2014	-1 052 (-15.38%)	1 024 (79.59%)	-1 014 (-33.41%)	1 986 (638.60%)	-2 066 (-20.29%)	3 010 (188.60%)	4.87	-30.38	-4.87	30.38
2015	1 452 (25.08%)	-2 309 (-100%)	1 319 (65.26%)	-2 297 (-100%)	2 772 (35.49%)	-4 606 (-100%)	-5.7	-50.13	5.7	-49.87
2017	-3 153 (-43.54%)	4 387 (100%)	2158 (163.60%)	528 (100%)	-3 016 (-28.50%)	4 915 (100%)	-14.4	0	14.4	0
2018	3 958 (96.80%)	-984 (-22.43%)	2 722 (133.90%)	-1 769 (-77.01%)	6 680 (88.29%)	-277 (-5.64%)	2.45	73.37	-2.45	26.63
2019	-656 (-8.15%)	2 019 (59.33%)	-5 094 (-82.17%)	1 135 (91.90%)	-5 750 (-40.36%)	3 153 (67.98%)	30.5	-3.78	-30.5	3.78

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.35 shows that for the Gauteng Province, the number of males employed in informal activities (non-agricultural) in the tribal areas decreased only fractionally from 7 422 in 2008 to 7 391 in 2019, just 0.4% over the eleven-year period. However, the number of males employed in informal activities (non-agricultural) in the rural areas increased from 2 531 in 2008 to 5 422 in 2019, amounting to 114% increase over the same period. For employment of females in informal activities (non-agricultural), the number employed in the tribal areas decreased from 2 091 in 2008 to 1 105 in 2019, a 47% decrease over the eleven year period. On the other hand, the number of females employed in informal activities (non-agricultural) in the rural areas increased from 1 618 in 2008 to 2 370 in 2019, which indicates 46% increase over the period. It is clear that for male employment, the percentage change in employment exceeded 100% in the rural areas.

Table 4.35 also highlights the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for males were below 80% over the eleven-year period whilst the figure for the rural areas varied of the same period. The total employment of females as a percentage of total employment in the tribal areas comprised just below 30% over the period except in 2017 and 2018, where it constituted 45.96% and 43.51%, respectively. On the other hand, the total employment of females as a percentage of total employment in the rural areas varied over the eleven-year period and fell to 11.51% in 2009, but peaked at 49.87% in 2014.

Table 4.36. Gender composition of employment in informal activities (non-agricultural) in the Free State Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed: Male & Female		% Employed			
	Male		Female		Tribal	Rural	Male		Female	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	7 195	2 893	5 657	1 337	12 853	4 229	55.98	68.41	44.02	31.59
2009	7 162	1 902	5 892	920	13 053	2 823	54.87	67.38	45.13	32.62
2010	9 005	559	7 857	398	16 862	957	53.40	58.41	46.60	41.59
2011	7 486	1 539	7 007	745	14 493	2 284	51.65	67.38	48.35	32.62
2012	7 342	1 939	6 102	619	13 443	2 558	54.62	75.80	45.38	24.20
2013	7 246	1 166	5 908	1 514	13 154	2 681	55.09	43.49	44.91	56.51
2014	8 648	1 362	8 374	886	17 023	2 248	50.80	60.59	49.20	39.41
2015	8 205	699	8 241	666	16 446	1 365	49.89	51.21	50.11	48.79
2017	10 385	812	6 503	1 015	16 887	1 827	61.50	44.44	38.50	55.55
2018	10 417	1 123	5 693	525	16 110	1 648	64.66	68.14	35.34	31.86
2019	8 222	1 956	5 807	414	14 029	2 340	58.61	83.59	41.39	16.41
	Annual change									
2009	-34 (-0.47%)	-991 (-34.26%)	225 (3.98%)	-417 (-31.19%)	200 (1.56%)	-1 406 (-33.25%)	-1.11	-1.03	1.11	1.03
2010	1 843 (25.73%)	-1 343 (-70.61%)	1 965 (33.35%)	-522 (-56.74%)	3 809 (29.18%)	-1 866 (-66.10%)	-1.47	-8.97	1.47	8.97
2011	-1 519 (-16.87%)	980 (175.32%)	-850 (-10.82%)	3547 (81.19%)	-2 369 (-14.05%)	1 327 (138.66%)	-1.75	8.97	1.75	-8.97
2012	-144 (-1.92%)	400 (25.99%)	-905 (-12.92%)	-126 (-16.91%)	-1 050 (-7.24%)	274 (12%)	2.97	8.42	-2.97	-8.42
2013	-96 (7.31%)	-773 (-39.87%)	-194 (-3.18%)	895 (144.60%)	-289 (-2.15%)	123 (4.81%)	0.47	-32.31	-0.47	32.31
2014	1 402 (19.35%)	196 (16.81%)	2 466 (41.74%)	-628 (-41.48%)	3 869 (29.41%)	-433 (-16.15%)	-4.29	17.1	4.29	-17.1
2015	-443 (-5.12%)	-663 (-48.68%)	-133 (-1.59%)	-220 (-24.83%)	-577 (-3.39%)	-883 (-39.28%)	-0.91	-9.38	0.91	9.38
2017	2 180 (26.57%)	113(16.17%)	-1 738 (-21.09%)	349 (52.40%)	441 (2.68%)	462 (33.85%)	11.61	-6.77	-11.61	6.76
2018	32 (0.31%)	311 (38.30%)	-810 (-12.46%)	-490 (-48.28%)	-77 (-4.60%)	-179 (-9.80%)	3.16	23.7	-3.16	-23.69
2019	-2 195 (-21.07%)	833 (74.18%)	114 (2%)	-11 (-21.14%)	-2 081 (-12.92%)	692 (41.99%)	-6.05	15.45	6.05	-15.45

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.36 shows that for the Free State Province, the number of males employed in informal activities (non-agricultural) in the tribal areas grew from 7 195 in 2008 to 8 222 in 2019, showing an increase of just 14% over the eleven-year period. However, the number of males employed in informal activities (non-agricultural) in the rural areas decreased from 2 893 in 2008 to 1 956 in 2019, representing a 32% drop over the same period. In case of employment of females in informal activities (non-agricultural), the number employed in the tribal areas grew from 5 657 in 2008 to 5 827 in 2019, increasing by 3% over the eleven-year period. On the other hand, the number of females employed in informal activities (non-agricultural) in the rural areas decreased from 1 337 in 2008 to 414 in 2019, 69% lower over the period. It is clear that for female employment for the rural areas, the percentage change in employment was a decrease of 60% over the period.

Table 4.36 also depicts the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for males comprised 50% over the period except in 2018, where it increased to 64.66% whilst for the rural areas the figure varied over the same period but peaked at 75.80% in 2012. The total employment of females as a total percentage of total employment in the tribal areas comprised 40% over the period except in 2017 and 2018, where it constituted 38.50% and 35.34%, respectively. On the other hand, the total employment of females as a percentage of total employment in the rural areas varied over the period but peaked at 56.51% in 2013 and was the lowest in 2019 at 16.41%.

Table 4.37. Gender composition of employment in informal activities (non-agricultural) in the Northern Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed: Male & Female		% Employed			
	Male		Female				Male		Female	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	1 390	715	2 623	868	4 014	1 583	34.63	45.17	65.37	54.83
2009	1 552	449	2 211	1 680	3 763	2 129	41.24	21	58.76	78.91
2010	1 508	1 245	3 277	716	4 786	1 962	31.51	63.46	68.49	36.54
2011	1 282	665	2 478	377	3 760	1 042	34.10	63.82	65.90	36.18
2012	1 368	478	3 724	857	5 091	1 335	26.87	35.81	73.13	64.19
2013	2 521	480	2 003	879	4 523	1 359	55.74	35.32	44.26	64.68
2014	2 352	534	1 066	551	3 418	1 085	68.81	49.22	31.19	50.78
2015	4 382	988	1 763	1 296	6 145	2 284	71.31	43.26	28.69	56.74
2017	3 544	2 163	2 408	1 318	5 952	3 481	59.54	62.14	40.46	37.86
2018	1 494	349	2 757	457	4 251	806	35.14	43.30	64.86	56.70
2019	3 463	1 404	1 616	1 033	5 078	2 437	68.20	57.61	31.80	42.39
	Annual change									
2009	162 (11.65%)	-266 (-37.20%)	-412 (-15.71%)	812 (93.05%)	-251 (-6.25%)	546 (34.49%)	6.61	-24.17	-6.61	24.08
2010	-44 (-2.84%)	796 (177.30%)	1 066 (48.21%)	-964 (-57.38%)	1 023 (27.19%)	-167 (-7.84%)	-9.73	42.46	9.73	-42.37
2011	-226 (-14.99%)	-580 (-46.59%)	-799 (-24.38%)	-339 (-47.35%)	-1 026 (-21.44%)	-920 (-46.89%)	2.59	0.36	-2.59	-0.36
2012	86 (6.71%)	-187 (-28.12%)	1 246 (50.28%)	480 (127.30%)	1 531 (40.72%)	293 (28.12%)	-7.23	-28.01	7.23	28.01
2013	1 153 (84.28%)	2 (0.42%)	-1 721 (-46.21%)	22 (2.57%)	-568 (-10.74%)	24 (1.80%)	28.87	-0.49	-28.87	0.49
2014	-169 (-6.70%)	54 (11.25%)	-937 (-46.78%)	-328 (-37.32%)	-1 105 (-24.43%)	-74 (-5.46%)	13.07	13.9	-13.07	-13.9
2015	2 030 (86.31%)	454 (85.02%)	697 (65.38%)	745 (135.20%)	2 727 (79.78%)	1 199 (110.51%)	2.5	-5.96	-2.5	5.96
2017	-838 (-19.12%)	1 175 (118.90%)	645 (36.59%)	22 (1.70%)	-193 (-3.14%)	1 197 (52.41%)	-11.77	18.88	11.77	-18.88
2018	-2 050 (-57.84%)	-1 814 (-83.87%)	349 (14.49%)	-861 (-65.39%)	-1 701 (-28.58%)	-2 675 (-76.85%)	-24.4	-18.84	24.4	18.84
2019	1 969 (131.80%)	1 055 (302.30%)	-1 141 (-41.39%)	576 (126%)	827 (19.45%)	1 631 (202.36%)	33.06	14.31	33.06	-14.31

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.37 shows that for the Northern Cape Province, the number of males employed in informal activities (non-agricultural) in the tribal areas increased from 1 390 in 2008 to 3 463 in 2019, an appreciable increase of 149% over the eleven-year period. In the same period, the number of males employed in informal activities (non-agricultural) in the rural areas increased by 96% from 715 in 2008 to 1 404 in 2019. For employment of females in informal activities (non-agricultural), the number employed in the tribal areas decreased from 2 623 in 2008 to 1 616 in 2019, pointing to a 38% decrease over the eleven-year period. However, the number of females employed in informal activities (non-agricultural) in the rural areas increased from 868 in 2008 to 1 033 in 2019, a 19% increase over the period. It is clear that only for males in the tribal areas, the percentage change in employment exceeded 100%.

Table 4.37 also shows the division in total employment between informal sector activities (non-agricultural) and agriculture for both tribal and rural areas. Informal activities (non-agricultural) for males were below 60% over the period except in 2015, where it increased to 71.31% whilst for the rural areas the figure varied over the same period but peaked at 63.82% in 2011. The total employment of females as a percentage of total employment in the tribal areas varied below 70% over the period except in 2012, where it increased to 73.13%. On the other hand, the total employment of females as a percentage of total employment in the rural areas varied over the period but peaked at 78.91% in 2009 and was the lowest in 2011 at 36.18%.

Table 4.38. Gender composition of employment in informal activities (non-agricultural) in the Western Cape Province, 2008-2019 in thousands

Years	Number employed: informal		Total employed: Male & Female	% Employed	
	Male	Female		Male	Female
2008	655	1588	2 230	29.37	70.63
2009	525	938	1 462	35.91	64.09
2010	1525	608	2 133	71.50	28.50
2011	601	2392	2 993	20.08	79.92
2012	350	1989	2 339	14.96	85.04
2013	1622	2079	3 701	43.83	56.17
2014	776	1613	2 388	32.50	67.50
2015	1180	1153	2 333	50.58	49.42
2017	2623	1576	4 200	62.45	37.55
2018	4917	1588	6 559	74.97	25.03
2019	1558	2253	3 811	40.88	59.12
Annual change					
2009	-130 (-19.85%)	-650 (-40.93%)	-768 (-34.44%)	6.54	-6.54
2010	1000 (190.48%)	-330 (-35.15%)	671 (45.90%)	35.59	-35.59
2011	-924 (-60.59%)	1784 (190.20%)	860 (40.32%)	-51.42	51.42
2012	-251 (-41.76%)	-403 (-16.85%)	-654 (-21.85%)	-5.12	5.12
2013	1272 (363.43%)	90 (4.52%)	1362 (59.09%)	28.87	-28.87
2014	-846 (-52.16%)	-466 (-22.41%)	-1313 (-35.48%)	-11.33	11.33
2015	404 (52.06%)	-460 (-28.52%)	-55 (-2.30%)	18.08	-18.08
2017	1443 (122.29%)	423 (36.69%)	1 861 (80.03%)	11.87	-11.87
2018	2294 (87.46%)	12 (0.76%)	2 359 (56.17%)	12.52	-12.52
2019	-3359 (-68.31%)	665 (41.88%)	-2 748 (-41.90%)	-34.09	34.09

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.38 shows that for the Western Cape Province, the number of males employed in informal activities (non-agricultural) in the rural areas rose from 655 in 2008 to 1 558 in 2019, an increase of 138% over the eleven-year period. In case of employment of females in informal activities (non-agricultural), the number employed in the rural areas increased from 1 588 in 2008 to 2 253 in 2019, pointing to a 42% increase over the eleven year period. It is clear that only for male employment in informal activities (non-agricultural) in the rural areas, the increase in employment exceeded 100%. Table 4.38 also shows that for males employed in informal activities (non-agricultural) in the rural areas, the total employment of males as percentage of total was below 50% for most of the years except in 2017 and 2018, where it increased to 62.45% and 74.97%, respectively. The total employment of females as a percentage of total employment in the rural areas was below 70% for most years except in 2012 where it increased to 85.04%.

Table 4.39. Gender composition of employment in informal activities (non-agricultural) in four Provinces, 2008-2019 in thousands

Year	Limpopo		Eastern Cape		KwaZulu-Natal		North West		Total employment	% employed in Limpopo		% employed in Eastern Cape		% employed in KZN		% employed in North West	
	Male	Female	Male	Female	Male	Female	Male	Female		Male	Female	Male	Female	Male	Female	Male	Female
2008	100 135	115 409	88 492	77567	114 279	127 642	34 728	30 366	688 618	14.54	16.76	12.85	11.26	16.60	18.54	5.04	4.41
2009	110 918	117 779	89 796	64 958	102 493	104 555	32 512	24 590	647 601	17.13	18.19	13.87	10.03	15.83	16.14	5.02	3.80
2010	133 254	116 113	83 726	65 286	93 472	96 693	31 679	20 608	547 359	24.34	21.21	15.30	11.93	17.08	17.67	5.79	3.76
2011	126 419	107 505	68 354	52 124	107 322	90 826	30 404	15 523	598 477	21.12	17.96	11.42	8.71	17.93	15.18	5.08	2.59
2012	151 877	115 824	80 857	52 791	186 913	81 698	32 742	22 687	725 371	20.94	15.97	11.15	7.28	25.77	11.26	4.51	3.13
2013	151 696	131 277	66 930	58 537	100 822	79 609	38 876	25 626	653 411	23.22	20.09	10.24	8.96	15.43	12.18	5.95	3.92
2014	173 468	123 090	84 910	53 703	117 696	95 807	43 809	20 731	709 678	24.44	17.34	11.96	7.57	16.58	13.50	6.17	2.92
2015	167 264	111 314	85 144	47 702	114 120	98 207	40 274	20 730	704 831	23.73	15.79	12.08	6.77	16.19	13.93	5.78	2.94
2017	181 377	132 495	83 815	58 736	103 898	100 022	55 593	25 487	741 423	24.46	17.87	11.30	7.92	14.01	13.49	7.50	3.44
2018	208 240	134 277	89 564	50 995	128 053	102 927	50 261	20 766	785 083	26.52	17.10	11.41	6.50	16.31	13.11	6.40	2.65
2019	200 820	121 612	87 753	50 302	142 519	106 746	42 367	19 955	771 894	26.02	15.76	11.37	6.52	18.46	13.83	5.49	2.59
	Annual Change																
2009	10 783 (10.77%)	2 370 (2.05%)	1 304 (1.47%)	-12 609 (-16.26%)	-11 786 (-10.31%)	-23 087 (-18.09%)	-2 216 (-6.38%)	-5 776 (-19.02%)	-41 017 (-5.96%)	2.59	1.43	1.02	-1.23	-0.77	-2.4	-0.02	-0.61
2010	22 336 (20.14%)	-1 666 (-1.41%)	-6 070 (-6.76%)	326 (0.50%)	-9 011 (-8.79%)	-7 862 (-7.52%)	-835 (-2.56%)	-3 982 (-16.19%)	-100 242 (-14.56%)	7.21	3.02	1.43	1.9	1.25	1.53	0.77	-0.04
2011	-6 835 (-5.13%)	-8 608 (-7.41%)	-15 372 (-18.36%)	-13 162 (-20.16%)	13 850 (14.82%)	-5 867 (-6.07%)	-1 275 (-4.02%)	-5 085 (-24.67%)	51 118 (9.34%)	-3.22	-3.25	-3.88	-3.22	0.85	-2.49	-0.71	-1.17
2012	25 458 (20.14%)	8 319 (7.74%)	12 503 (18.29%)	667 (1.28%)	79 591 (74.16%)	-9 128 (-10.05%)	2 338 (7.69%)	7 164 (46.15%)	126 894 (21.20%)	-0.18	-2	-0.27	-1.43	7.84	-3.92	-0.57	0.54
2013	-181 (-0.12%)	15 453 (13.34%)	-13 927 (-17.22%)	5 746 (10.88%)	-86 091 (-46.06%)	-2 089 (-2.56%)	6 134 (18.73%)	2 939 (12.95%)	-71 960 (-9.92%)	2.28	4.12	-0.91	1.68	-10.34	0.92	1.44	0.79
2014	21 772 (14.35%)	-8 187 (-6.24%)	17 980 (26.86%)	-4 834 (-8.26%)	16 874 (16.74%)	16 198 (20.35%)	4 933 (12.69%)	-4 895 (-19.10%)	56 267 (8.61%)	1.22	-2.75	1.72	-1.369	1.15	1.32	0.22	-1
2015	-6 214 (-3.58%)	-11 776 (-9.57%)	234 (0.28%)	-6 001 (-11.17%)	-3 576 (-3.04%)	2 400 (2.51%)	-3 535 (-8.07%)	-1 (-4.82%)	-4 847 (-0.68%)	-0.71	-1.55	0.12	-0.8	-0.39	0.43	-0.39	0.02
2017	14 113 (8.44%)	21 181 (19.03%)	-1 329 (-1.56%)	11 034 (23.13%)	-10 222 (-8.96%)	1 815 (1.85%)	15 319 (38.04%)	4 757 (22.95%)	36 592 (5.19%)	0.73	2.08	-0.78	1.15	-2.18	-0.44	1.72	0.52
2018	26 863 (14.81%)	1 782 (1.34%)	5 749 (6.86%)	-7 741 (-13.18%)	24 155 (23.25%)	2 905 (2.90%)	-5 332 (-9.59%)	-4 721 (-18.52%)	43 660 (5.89%)	2.06	-0.77	0.11	-1.42	2.3	-0.38	-1.1	-0.79
2019	-7 420 (-3.56%)	-12 665 (-9.43%)	-1 811 (-2.02%)	-692 (-1.36%)	14 466 (11.30%)	3 819 (3.71%)	-7 894 (-15.71%)	-811 (-3.91%)	-13 189 (-1.68%)	-0.5	-1.34	-0.1	0.02	2.15	0.72	-0.91	-0.06

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.39 shows gender participation in rural non-farm activities in the provinces that have a high proportion of people living in rural areas. For the Limpopo Province, the number of males employed in informal activities (non-agricultural) increased from 100 135 in 2008 to 200 820, a 101% increase over the eleven-year period. For the same period, the number of females employed in informal activities (non-agricultural) increased from 115 409 in 2008 to 121 612 in 2019, amounting 5% over the same time. This was followed by the KwaZulu-Natal Province, the number of males employed in informal activities (non-agricultural) increased from 114 279 in 2008 to 142 519 in 2019, or a 25% increase over the eleven-year period. However, the number of females employed in informal activities (non-agricultural) decreased by 16% during the period from 127 642 in 2008 to 106 746 in 2019.

By contrast, in the Eastern Cape Province, the number of males employed in informal activities (non-agricultural) decreased from 88 492 in 2008 to 87 753, which represents a decline of 1% over the eleven-year period. For the same period, the number of females employed in informal activities (non-agricultural) shrank from 77 567 in 2008 to 50 302 in 2019, a 35% decrease. Lastly, For the North West Province, the number of males employed in informal activities (non-agricultural) also increased, from 34 728 in 2008 to 42 367, which is 22% over the eleven year period. The number of females employed in informal activities (non-agricultural) decreased by contrast from 30 366 in 2008 to 19 955 in 2019, amounting to a 34% drop over the same period. It is clear that only for male employed in informal activities (non-agricultural), the percentage change in employment exceeded 100% in Limpopo Province.

Table 4.39 also points to the gender division in total employment in informal sector activities (non-agricultural) in the four provinces with the high proportion of rural areas. Informal activities (non-agricultural) for males in the Limpopo Province comprised over 20% for most years, except in 2008 and 2009 where it comprised 14.54% and 17.13%, respectively, whilst the figure for females was below 30% over the same period. The total employment of males as a percentage of total employment in the KwaZulu-Natal Province amounted to 16% for most years, except in 2012, where it increased to 25.77% whilst the figure for females was below 20% over the period. For the Eastern Cape Province, males as a total of total employment comprised over 10% over the eleven year period whilst the figure for females was below 10% for most years but

peaked at 11.93% in 2010. The total employment of males as a percentage of total employment in the North West Province was below 10% over the eleven year period whilst the figure for females was below 5% over the period.

4.5.1.2. Level of Education

Rural non-farm activities are postulated to be small by nature and often undertaken to supplement incomes. However, it is assumed that the development of human capital places rural households in a better position to earn higher incomes. Thus, it may be assumed that rural households with lower levels of education would be vulnerable to poverty compared to those with higher level of education. This section looks at the level of education for rural households employed in informal activities (non-agricultural). The different categories of education are primary education, which spans from Grade 1 to 7, and secondary education, which spans from Grade 8 to 12, while higher education refers to tertiary level of education (Statistics South Africa, 2016).

Table 4.40. Level of education of people employed in informal activities (non-agricultural) in Limpopo Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, % Education Secondary & Tertiary								
	Primary		Secondary		Tertiary		Primary		Secondary		Tertiary				
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	
2008	18 954	0	29 896	0	12 389	262	61 239	262	30.95	0	48.82	0	20.23	100	
2009	15 384	202	35 613	201	10 351	0	61 348	403	25.08	50.12	58.05	49.88	16.87	0	
2010	19 846	0	38 638	939	12 101	0	70 585	939	28.12	0	54.74	100	17.14	0	
2011	18 472	0	33 594	1 334	10 633	0	66 273	1 334	27.87	0	50.69	100	16.04	0	
2012	18 249	0	37 168	1 430	12 113	0	67 530	1 430	27.02	0	55.04	100	17.94	0	
2013	16 751	2 480	34 172	50	13 722	0	64 645	2 530	25.91	98.02	52.86	1.98	21.23	0	
2014	23 992	0	48 593	766	13 969	0	86 554	766	27.72	0	56.14	100	16.14	0	
2015	19 381	0	46 069	0	16 210	0	81 660	0	23.73	0	56.42	0	19.85	0	
2017	20 796	207	48 391	1 270	18 598	0	87 785	1 477	23.69	14.01	55.12	85.99	21.19	0	
2018	20595	866	51 545	499	24 187	611	96 327	1 976	21.38	43.83	53.51	25.25	25.11	30.92	
2019	18 521	0	65 054	2 180	21 685	43	105 260	2 223	17.60	0	61.80	98.07	20.60	1.93	
	Annual change														
2009	-3 570 (-18.33%)	202 (100%)	5 717 (19.12%)	201 (100%)	-2 038 (-16.45%)	-262 (-100%)	109 (0.18%)	141 (53.82%)	-5.87	50.12	9.23	0	-3.36	0	
2010	4 462 (29%)	-202 (-100%)	3 025 (8.49%)	738 (367.16%)	1 750 (16.91%)	0	9 237 (15.06%)	536 (133%)	3.04	-50.12	-3.31	50.12	0.27	0	
2011	-1 374 (-6.92%)	0	-5 044 (-13.05%)	395 (42.07%)	-1 468 (-12.13%)	0	-4 312 (-6.11%)	395 (42.07%)	-0.25	0	-4.05	0	-1.1	0	
2012	-223 (-1.21%)	0	3 574 (10.64%)	96 (7.20%)	1 480 (13.92%)	0	1 257 (1.90%)	96 (7.20%)	-0.85	0	4.35	0	1.9	0	
2013	-1 498 (-8.21%)	2 480 (100%)	-2 996 (-8.06%)	-1 380 (-96.50%)	1 609 (13.28%)	0	-2 885 (-4.27%)	1 100 (76.92%)	-1.11	98.02	-2.18	-98.02	3.29	0	
2014	7 241 (43.23%)	-2 480 (-100%)	14 421 (42.20%)	716 (1 432%)	247 (1.80%)	0	20 909 (32.34%)	-1 764 (-69.72%)	1.81	-98.02	3.28	98.02	-5.09	0	
2015	-4 611 (-19.22%)	0	-2 524 (-5.19%)	-766 (-100%)	2 241 (16.04%)	0	-4 894 (-5.65%)	-766 (-100%)	-3.99	0	0.28	-100	3.71	0	
2017	1 415 (7.30%)	207 (100%)	2 322 (5.04%)	1 270 (100%)	2 388 (14.73%)	0	6 125 (7.50%)	1 477 (100%)	-0.04	14.01	-1.3	85.99	1.34	0	
2018	-201 (-0.97%)	659 (318.40%)	3 154 (6.52%)	-771 (-60.71%)	5 589 (30.05%)	611 (100%)	8 542 (9.73%)	499 (33.78%)	-2.31	29.82	-1.61	-60.74	3.92	30.92	
2019	-2 074 (-10.07%)	-866 (-100%)	13 509 (26.21%)	1 681 (366.87%)	-2 502 (-10.34%)	-568 (-92.96%)	8 933 (9.27%)	247 (12.5%)	-3.78	-43.83	8.29	72.82	-4.51	-28.99	

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.40 shows that for the Limpopo Province, the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas moved slightly from 18 954 in 2008 to 18 521 in 2019, which was a decrease of 2% over the eleven-year period. At the same time, the number of people employed in informal activities (non-agricultural) with primary education for the rural formal areas remained constant from 0 in 2008 to 0 in 2019. On the other hand, the number of people with secondary education employed in informal activities (non-agricultural) in the tribal areas increased from 29 896 in 2008 to 65 054 in 2019 over the period constituting a substantial 118% rise. The number of people with secondary education employed in informal activities (non-agricultural) for the rural areas increased from 0 in 2008 to 2 180 in 2019, a 100% increase. For the people with tertiary education, the number of people employed in informal activities (non-agricultural) in the tribal areas increased from 12 389 in 2008 to 21 658 in 2019, which is an increase of 75% over the period. For the rural areas, the number of people in informal activities (non-agricultural) with tertiary education decreased from 262 in 2008 to 43 in 2019, reflecting a decrease of 84% over the period. It is clear that for informal activities (non-agricultural) in the tribal areas, the percentage change in employment for those with secondary education exceeded 100%.

Table 4.40 also depicts the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education engaged in informal activities (non-agricultural) comprised 20% in the tribal areas over the period except in 2019 where it decreased to 17.60%, whilst the figure for rural areas varied over the period but peaked at 98.03% in 2013 and was lowest in 2017 at 14.01%. In the case of those with secondary education, employment in informal activities (non-agricultural) in the tribal areas constituted 50% over the period except in 2019 where it increased to 61.80%. For the rural areas, the employment of those with secondary education varied over the period and fell to 1.98% in 2013 but peaked at 100% from 2014. On the other hand, for the employment of those with tertiary education in informal activities (non-agricultural) were below 20% over the period whilst the figure for the rural areas comprised 0% for most years but peaked at 100% in 2008.

Table 4.41. Level of education of participants employed in informal activities (non-agricultural) in the Eastern Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, Secondary & Tertiary									% Education	
	Primary		Secondary		Tertiary		Primary		Secondary		Tertiary		Tribal	Rural			
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural					
2008	17 988	169	14 005	1 002	2 236	392	34 229	1 563	52.55	10.81	40.92	64.11	6.53	25.08			
2009	15 371	0	17 806	238	2 307	0	35 484	238	43.32	0	48.15	100	5.74	0			
2010	15 876	0	17 904	0	2 789	0	36 569	0	43.41	0	48.96	0	7.63	0			
2011	14 815	0	15 621	54	994	0	31 430	54	47.14	0	49.70	100	3.16	0			
2012	13 112	0	19 773	0	2 006	0	34 891	0	37.58	0	56.67	0	5.75	0			
2013	11 586	397	23 009	0	2 305	0	36 900	397	31.40	100	62.36	0	6.25	0			
2014	12 972	392	15 869	131	3 465	0	32 306	523	40.15	74.95	49.12	25.05	10.73	0			
2015	12 233	253	24 655	0	2 326	0	39 214	253	31.20	100	62.87	0	5.93	0			
2017	19 757	442	15 995	781	3 468	707	39 220	1 930	50.37	22.90	40.78	40.47	8.84	36.63			
2018	10 003	684	15 513	1 408	4 473	202	29 989	2 294	33.36	29.82	51.73	61.38	14.92	8.81			
2019	11 950	771	22 972	1 598	2 490	1 023	37 412	3 392	31.94	22.73	83.80	47.11	6.66	30.16			
	Annual change																
2009	-2 257 (-12.55%)	-169 (-100%)	3 801 (27.14%)	-764 (-76.25%)	71 (3.18%)	-392 (-100%)	1 255 (3.67%)	-1 325 (-84.77%)	-9.23	-10.81	7.23	100	-0.89	-25.08			
2010	507 (3.30%)	0	98 (0.55%)	-238 (-100%)	482 (20.89%)	0	1 085 (3.06%)	-238 (-100%)	0.09	0	0.81	-100	1.89	0			
2011	-1 063 (-6.69%)	0	-2 283 (-12.75%)	54 (100%)	-1 795 (-64.36%)	0	-5 139 (-14.05%)	54 (100%)	3.73	0	0.74	100	-4.47	0			
2012	-1 703 (-11.50%)	0	4 152 (26.58%)	-54 (-100%)	1 012 (100.81%)	0	3 461 (11.012%)	-54 (-100%)	-9.56	0	6.97	-100	2.59	0			
2013	-1 526 (-11.64%)	307 (100%)	3 236 (16.37%)	0	299 (14.91%)	0	2 009 (5.76%)	397 (100%)	-6.18	100	5.69	0	0.5	0			
2014	1 386 (11.96%)	-5 (-1.26%)	-7 140 (-31.03%)	131 (100%)	1 160 (50.33%)	0	-4 594 (-12.45%)	126 (31.74)	8.75	-25.05	-13.24	25.05	4.48	0			
2015	-793 (-5.70%)	-139 (-35.46%)	8 786 (55.37%)	-131 (-100%)	-1 139 (-32.87%)	0	6 908 (21.38%)	-270 (-51.63%)	-8.95	25.05	13.75	-25.05	-4.8	0			
2017	7 524 (61.51%)	189 (74.70%)	-8 660 (-35.12%)	781 (100%)	1 142 (49.10%)	707 (100%)	6 (0.02%)	1 677 (662.85%)	19.17	-77.1	-22.09	40.47	2.91	36.63			
2018	-9 754 (-49.37%)	242 (54.75%)	-482 (-3.01%)	627 (80.28%)	1 005 (28.98%)	-505 (-71.43%)	-9 231 (-23.54%)	364 (18.86%)	-17.01	6.92	10.95	20.91	6.08	-27.82			
2019	1 947 (19.46%)	87 (12.72%)	7 459 (48.08%)	190 (13.49%)	-1 983 (-44.33%)	821 (406.44%)	7 423 (24.75%)	1 098 (47.86%)	-1.42	-7.09	32.07	-14.27	-8.06	21.35			

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.41 shows that for the Eastern Cape Province, the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas decreased from 17 988 in 2008 to 11 950 in 2019, or by 34% over the eleven-year period. On the other hand, the number of people employed in informal activities (non-agricultural) with primary education for the rural areas increased from 169 in 2008 to 771 in 2019, an increase of 356% over the same period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the tribal areas increased from 14 005 in 2008 to 22 972 over the same period constituting 64%. Conversely, the number of people with secondary education in informal activities (non-agricultural) for the rural areas increased from 1 002 in 2008 to 1 598 in 2019, a 59% increase. For the people with tertiary education, the number employed in informal activities (non-agricultural) in the tribal areas increased from 2 236 in 2008 to 2 490 in 2019, which is an increase of 11% over the period. At the same time, the number of people in informal activities (non-agricultural) with tertiary education for the rural areas increased from 392 in 2008 to 1 023 in 2019, pointing to 107% increase over the same period. It is clear that for informal activities (non-agricultural) in the rural areas, the percentage change in employment for those with secondary education exceeded 300%.

Table 4.41 also reflects the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education in informal activities (non-agricultural) comprised 30% in the tribal areas for most of the years, except in 2008 where it comprised 52.55% whilst the figure for rural areas varied over the period and fell to 10.81% in 2008 but peaked at 100% in 2015. For people with secondary education, employment in informal activities (non-agricultural) constituted 40% for most of the years except, in 2019 where it increased to 83.80%. For the rural areas, the employment of those with secondary education varied over the period and fell to 25.05% in 2014 but peaked at 100% in 2009 and 2011. On the other hand, for those with tertiary education, employment in informal activities (non-agricultural) was below 10% over the period except in 2018 where it increased to 14.92% whilst the figure for rural areas varied over the period but peaked at 36.63% in 2017 and was the lowest in 2018 at 8.81%.

Table 4.42. Level of education of participants employed in informal activities (non-agricultural) in the KwaZulu-Natal Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, % Education Secondary & Tertiary							
	Primary		Secondary		Tertiary		Primary		Secondary		Tertiary			
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	20 480	907	33 309	1 005	3 315	151	57 104	2 063	35.86	43.97	58.33	48.72	5.81	7.32
2009	16 993	289	32 273	2 128	3 575	76	52 841	2 493	32.16	11.59	61.08	85.36	6.77	3.05
2010	16 489	3 421	30 596	1 803	3 569	469	50 654	5 693	32.55	60.09	60.40	31.67	7.05	8.24
2011	13 265	1 895	28 525	2 592	2 873	228	44 663	4 715	29.70	40.19	63.87	54.97	6.43	4.84
2012	12 646	689	32 900	567	2 871	1 473	48 417	2 729	26.12	25.25	67.95	20.78	5.93	53.98
2013	17 253	1 273	29 962	631	3 950	1 067	51 165	2 971	33.72	42.85	58.56	21.24	7.72	35.91
2014	21 825	1 856	36 714	2 181	7 009	564	65 548	4 601	33.30	40.34	56.01	47.40	10.69	12.26
2015	13 924	7207	48 491	294	4 441	963	66 856	8 464	20.83	85.15	66.55	3.47	6.64	11.38
2017	19 941	729	53 327	1 458	3 534	0	76 802	2 187	25.96	33.33	69.43	66.67	4.60	0
2018	15 245	466	51 297	2 261	7 698	377	74 240	3 104	20.53	15.01	69.10	72.84	10.7	12.15
2019	14 789	1 972	61 840	3 345	2 942	1 716	79 571	7 033	18.59	28.04	77.72	47.56	41.83	24.40
	Annual change													
2009	-3 547 (-17.32%)	-618 (-68.14%)	-1 036 (-3.11%)	1 123 (111.74%)	260 (7.84%)	-75 (-49.67%)	-4 263 (-7.47%)	430 (20.84%)	-3.7	-32.38	2.75	36.64	0.96	-4.27
2010	-444 (-2.62%)	3 132 (1 083.70%)	-1 677 (-5.20%)	-325 (-15.27%)	-6 (-0.17%)	393 (517.11%)	-2 187 (-4.14%)	3 200 (128.36%)	0.39	48.5	-0.68	-53.69	0.28	5.19
2011	-3 224 (-19.55%)	-1 526 (-44.61%)	-2 071 (-6.77%)	789 (43.76%)	-696 (-19.50%)	-241 (-51.39%)	-5 991 (-11.83%)	-978 (-17.18%)	-2.85%	-19.9	3.47	23.3	-0.62	-3.4
2012	-619 (-4.67%)	-1 206 (-63.64%)	4 375 (15.34%)	-2 025 (-78.13%)	-2 (-0.07%)	1 245 (546.05%)	3 754 (8.41%)	-1 986 (-42.12%)	-3.58	-14.94	4.08	-34.19	-05	49.14
2013	4 607 (36.43%)	584 (84.76%)	-2 938 (-8.93%)	64 (11.29%)	1 079 (37.58%)	-406 (-27.56%)	2 748 (5.68%)	242 (8.87%)	7.6	17.6	-9.39	0.46	1.79	-18.07
2014	999 (5.79%)	583 (45.80%)	6 752 (22.54%)	1 550 (245.64%)	3 059 (77.44%)	-503 (-47.14%)	14 383 (28.11%)	1 630 (54.86%)	-0.42	-2.51	-2.55	26.16	2.97	-23.65
2015	-4 328 (-23.71%)	5 351 (288.31%)	11 777 (32.08%)	-1 887 (-86.52%)	-2 568 (-36.64%)	399 (70.74%)	1 308 (2%)	3 863 (83.96%)	-12.47	44.81	10.54	-43.93	-4.05	-0.88
2017	6 017 (30.17%)	-5 329 (-100.15%)	4 836 (9.98%)	1 164 (395.92%)	-907 (-20.42%)	-963 (-100%)	9 946 (14.88%)	-6 277 (-74.16%)	5.13	-51.82	2.88	63.2	-2.04	-11.38
2018	-4 696 (-23.55%)	-263 (-36.08%)	-2 030 (-3.81%)	803 (55.08%)	4 164 (117.83%)	377 (100%)	-2 562 (-3.34%)	917 (41.93%)	-5.43	-18.32	-0.33	6.17	6.1	12.15
2019	-456 (-2.99%)	1 506 (323.18%)	10 543 (20.55%)	1 084 (47.94%)	-4 756 (-61.78%)	1 339 (355.17%)	5 331 (7.18%)	3 929 (126.58%)	-1.94	13.03	8.62	-25.28	31.13	12.25

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.42 shows that for the KwaZulu-Natal Province, the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas decreased by 28% from 20 480 in 2008 to 14 789 in 2019 over the eleven year period. On the other hand, the number of people with primary education employed in informal activities (non-agricultural) for the rural areas increased from 907 in 2008 to 1 972 in 2019 representing an increase of 117% over the period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the tribal areas increased from 33 309 in 2008 to 61 840 over the same period constituting 86%. Subsequently, the number of people with secondary education in informal activities (non-agricultural) for the rural areas increased from 1 005 in 2008 to 3 345 in 2019, a 233% increase. On the other hand, the number of people with tertiary education employed in informal activities (non-agricultural) in the tribal areas decreased from 3 315 in 2008 to 2 942 in 2019, which is a decrease of 11% over the period. For the rural areas, the number of people with tertiary education employed in informal activities (non-agricultural) increased from 151 in 2008 to 1 716 in 2019, reflecting an increase of 1 036% over the same period. It is clear that for informal activities (non-agricultural) in the rural areas, the percentage change in employment for those with tertiary education exceeded 1 000%.

Table 4.42 also shows the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education in informal activities (non-agricultural) comprised 20% for most years except in 2019 where it decreased to 18.59% in the tribal areas whilst the figure for rural areas was varied over the period and fell to 11.59% in 2009 but peaked at 85.15% in 2015. In the case of those with secondary education, employment in informal activities (non-agricultural) constituted 60% over the period except in 2019 where it increased to 77.72%. For the rural areas, the employment of those with secondary education varied over the period but peaked at 85.36% in 2009 and was the lowest in 2015 at 3.47%. On the other hand, for those with tertiary education, employment in informal activities (non-agricultural) was above 5% for most of the years except in 2019 where it increased to 41.83% whilst for the rural areas the figure varied over the period but peaked at 53.98% in 2012 and was the lowest in 2017 at 0%.

Table 4.43. Level of education of participants employed in informal activities (non-agricultural) in the North West Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, Secondary & Tertiary							
	Primary		Secondary		Tertiary		Primary		Secondary		Tertiary			
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	4 371	1 103	8 652	2 402	366	375	13 389	3 880	32.65	28.43	64.62	61.91	2.73	9.66
2009	2 795	0	8 388	1 900	907	392	12 090	2 292	23.12	0	69.38	82.90	7.50	17.10
2010	4 038	88	10 516	818	647	328	15 201	1 234	26.56	7.13	69.18	66.29	4.26	26.58
2011	4 683	280	8 031	0	1 236	825	13 908	1 105	33.35	25.34	57.77	0	8.89	74.66
2012	4 276	178	10 895	598	1 100	94	16 271	870	26.28	20.46	66.96	68.74	6.76	10.80
2013	4 271	160	11 372	131	1 642	87	17 285	378	24.71	42.33	65.79	34.66	9.50	23.02
2014	4 295	1 377	8 106	1 545	961	0	13 362	2 922	32.14	47.13	60.66	52.87	7.19	0
2015	8 367	186	10 611	188	1 471	0	20 449	374	40.91	49.73	51.89	50.27	7.19	0
2017	6 614	213	12 132	663	3 729	0	22 475	876	29.43	24.32	53.98	75.68	16.59	0
2018	4 536	801	15 907	1 505	728	0	21 171	2 306	21.43	34.74	75.14	65.26	3.44	0
2019	3 370	1 031	14 469	793	2 211	0	20 050	1 824	16.81	56.52	72.16	43.48	11.03	0
	Annual change													
2009	-1 576	-1 103	-264	-502	541	17	-1 299	-1 588	-9.53	-28.43	4.76	20.99	4.77	7.44
	(-36.06%)	(-100%)	(-3.05%)	(-20.90%)	(147.81%)	(4.53%)	(-9.70%)	(-40.93%)						
2010	1 243	88	2 12	-1 082	-260	-64	3 111	-1 058	3.44	7.13	-0.2	-16.61	-3.24	9.48
	(44.47%)	(100%)	(25.37%)	(-56.95%)	(-28.67%)	(-16.33%)	(25.73%)	(-46.16%)						
2011	645	192	-2 485	-818	589	497	-1 293	-129	6.79	18.21	-11.41	-66.29	4.63	48.08
	(15.97%)	(218.20%)	(-23.63%)	(-100%)	(91.04%)	(151.52%)	(-8.51%)	(-10.45%)						
2012	-407	-104	2 864	598	-136	-731	2 363	-235	-7.07	-4.88	9.19	68.74	-2.13	63.86
	(-8.69%)	(-37.14%)	(35.66%)	(100%)	(-11%)	(-88.61%)	(16.99%)	(-21.27%)						
2013	-5	-18	477	-467	542	-7	1 014	-492	-1.57	21.87	-1.17	-32.3	2.74	12.22
	(-0.12%)	(-10.11%)	(4.38%)	(-78.09%)	(49.27%)	(-7.45%)	(6.23%)	(-56.55%)						
2014	24	1 217	-3 266	1 414	-681	-87	-3 923	2 544	7.43	4.8	-5.13	18.21	-2.31	-23.02
	(0.56%)	(760.60%)	(-28.72%)	(1 079.39%)	(-41.47%)	(-100%)	(-22.70%)	(673.02%)						
2015	4 072	-1 191	2 505	-1 357	510	0	7 087	-2 548	8.77	2.6	-8.77	-2.6	0	0
	(94.81%)	(-86.49%)	(30.90%)	(-87.83)	(53.07%)		(53.04%)	(-87.20%)						
2017	-1 753	27	1 521	475	2 258	0	2 026	502	-11.48	-25.41	2.09	25.41	9.4	0
	(-20.95%)	(14.52%)	(14.33%)	(252.66%)	(153.50%)		(9.91%)	(134.22%)						
2018	-2 078	583	3 775	842	-3 001	0	-1 304	1 430	-8	10.42	21.16	-10.42	-13.15	0
	(-31.42%)	(276.10%)	(31.12%)	(127%)	(-91.52%)		(-5.80%)	(163.24%)						
2019	-1 166	230	-1 438	-712	1 483	0	-1 121	-482	-4.62	21.78	-2.98	-21.78	7.59	0
	(-25.71%)	(28.71%)	(-9.04%)	(-47.31%)	(203.71%)		(-5.29%)	(-20.90%)						

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.43 shows that for the North West Province, the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas decreased from 4 371 in 2008 to 3 370 in 2019, which was a decrease of 23% over the eleven year period. At the same time, the number of people with primary education employed in informal activities (non-agricultural) for the rural formal areas decreased from 1 103 in 2008 to 1 031 in 2019 pointing to a decrease of 7% over the same period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the tribal areas increased from 8 652 in 2008 to 14 469 over the same period constituting a 67% increase. However, the number of people with secondary education in informal activities (non-agricultural) for the rural areas decreased from 2 402 in 2008 to 793 in 2019, falling by 67%. For the number of people with tertiary education, the number of people employed in informal activities (non-agricultural) in the tribal areas increased from 366 in 2008 to 2 211 in 2019 which is an increase of 504% over the period. For the rural areas, the number of people with tertiary education in informal activities decreased from 375 in 2008 to 0 in 2019, a decrease of 100% over the period. It is clear that for informal activities (non-agricultural) in the tribal areas, the percentage change in employment for those with secondary education exceeded 60%.

Table 4.43 also highlights the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education in informal activities (non-agricultural) comprised 20% for most of the years except in 2015 where it increased to 40.91% whilst the figure for rural areas was varied over the period and fell to 7.13% in 2010, but peaked at 56.52% in 2019. In the case of those with secondary education, employment in informal activities (non-agricultural) constituted 50% over the period except in 2018 and 2019 where it comprised 75.14% and 72.16%, respectively. For the rural areas, the employment of those with secondary education varied over the period but peaked at 82.90% in 2009 and was the lowest in 2011 at 0%. On the other hand, those with tertiary education, employment in informal activities (non-agricultural) were below 10% over the period except in 2017 and increased to 16.59% whilst the figure for the rural areas varied over the period and fell to 9.66% in 2008 but peaked at 74.66% in 2011.

Table 4.44. Level of education of participants employed in informal activities (non-agricultural) in the Mpumalanga Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, Secondary & Tertiary, % Education							
	Primary		Secondary		Tertiary		Primary		Secondary		Tertiary			
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	11 727	647	22 773	1 250	3 102	154	37 602	2 051	31.19	31.55	60.56	60.95	8.25	7.51
2009	9 324	1 136	23 144	2 802	4 461	0	36 929	3 938	25.25	28.85	62.67	71.33	12.08	0
2010	2 755	0	24 872	0	3 657	875	31 284	875	8.81	0	79.50	0	11.69	100
2011	8 571	157	22 776	0	3 474	183	34 821	340	24.61	46.48	65.41	0	9.98	53.82
2012	8 421	0	26 879	845	6 257	539	41 557	1 384	20.26	0	64.68	61.05	15.06	38.96
2013	9 768	621	26 180	795	5 693	176	41 551	1 592	23.51	39.01	63.01	49.94	13.70	11.06
2014	6 874	854	29 579	774	3 570	0	40 023	1 628	17.18	52.46	73.91	47.54	8.92	0
2015	7 874	350	24 255	526	3 634	0	35 763	876	22.02	39.95	67.82	60.05	10.16	0
2017	12 586	0	36 168	1 298	6 950	191	55 704	1 489	22.59	0	64.93	87.17	12.48	12.83
2018	12 473	0	32 570	980	7 970	0	53 013	980	22.67	0	61.44	100	15.03	0
2019	9 894	569	32 880	1 157	12 484	0	55 258	1 726	17.91	32.97	59.50	67.03	22.59	0
	Annual change													
2009	-2 403 (-20.49%)	489 (75.58%)	371 (1.63%)	1 552 (124.16%)	1 359 (43.81%)	-154 (-100%)	-673 (-1.79%)	1 887 (92%)	-5.94	-2.7	2.11	10.38	3.83	-7.51
2010	-6 569 (-70.45%)	-1 136 (-100%)	1 728 (7.47%)	-2 802 (-100%)	-804 (-18.02%)	875 (100%)	-5 645 (-15.29%)	-3 063 (-77.78%)	-16.44	-28.85	16.83	-71.33	-0.39	100
2011	5 816 (211.10%)	157 (100%)	-2 096 (-8.43%)	0	-183 (-5%)	-692 (-79.09%)	3 537 (11.31%)	-535 (-61.14%)	15.8	46.48	-14.09	0	-1.71	-46.18
2012	-150 (-1.75%)	-157 (-100%)	4 103 (18.01%)	845 (100%)	2 783 (80.11%)	356 (194.54%)	6 736 (19.34%)	1 044 (307.06%)	-4.35	-46.48	-0.73	61.05	5.08	-14.86
2013	1 347 (16%)	621 (100%)	-669 (-2.60%)	-50 (-5.92%)	-564 (-9.01%)	-343 (-63.64%)	-6 (-0.01%)	208 (15.03%)	3.25	39.01	-1.67	-11.11	-1.36	-27.9
2014	-2 894 (-29.63%)	233 (37.52%)	3 399 (12.98%)	-21 (-2.64%)	-2 123 (-37.29%)	-176 (-100%)	-1 528 (-3.68%)	36 (2.26%)	-6.33	13.45	13.9	-2.4	-4.78	-11.06
2015	1 000 (14.55%)	-504 (-59.02%)	-5 324 (-18%)	-248 (-32.04%)	64 (1.79%)	0	-4 260 (-10.64%)	-752 (-46.19%)	4.84	-12.51	-6.09	12.51	1.24	0
2017	4 712 (59.84%)	-350 (-100%)	11 913 (49.12%)	772 (146.77%)	3 316 (91.25%)	191	19 941 (55.76%)	613 (69.98%)	0.57	-39.95	-2.89	-51.88	2.32	12.83
2018	-113 (-0.90%)	0	-3 598 (-9.95%)	-318 (-24.50%)	1 020 (14.68%)	-191 (-100%)	-2 691 (-4.83%)	-509 (-34.18%)	0.08	0	-3.49	12.83	2.55	-12.83
2019	-2 579 (-20.68%)	569 (100%)	310 (0.95%)	177 (18.06%)	4 514 (56.64%)	0	2 245 (4.23%)	746 (76.12%)	-4.76	32.97	-1.94	-32.97	7.56	0

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.44 shows that for the Mpumalanga Province, the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas decreased by 16% from 11 727 in 2008 to 9 894 in 2019 over the eleven year period. At the same time, the number of people with primary education employed in informal activities (non-agricultural) for the rural formal areas decreased from 647 in 2008 to 569 in 2019 pointing to a decrease of 12% over the same period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the tribal areas increased from 22 773 in 2008 to 32 880 over the same period constituting a 44% increase. However, for the number of people with secondary education in informal activities (non-agricultural) for the rural areas there was a decrease of 7% from 1 250 in 2008 to 1 157 in 2019. On the other hand, the number of people with tertiary education employed in informal activities (non-agricultural) in the tribal areas increased from 3 102 in 2008 to 12 484 in 2019, which is an increase of 302% over the period. For the rural areas, the number of people with tertiary education employed in informal activities decreased from 375 in 2008 to 0 in 2019, a decrease of 100% over the same period. It is clear that for informal activities (non-agricultural) in the tribal areas, the percentage change in employment for those with tertiary education exceeded 300%.

Table 4.44 also shows the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education in informal activities (non-agricultural) comprised 20% for most years, except in 2010 where it decreased to 8.81% in the tribal areas whilst the figure for rural areas was varied over the period and fell to 28.85% in 2009 but peaked at 52.46% in 2014. In the case of those with secondary education, employment in informal activities (non-agricultural) constituted 60% over the period except in 2010 and 2014 where it comprised 79.50% and 73.91%, respectively. For the rural areas, the employment of those with secondary education varied over the period and fell to 47.54% in 2014 but peaked at 100% in 2018. On the other hand, for those with tertiary education, employment in informal activities (non-agricultural) comprised over 8% for most years, except in 2019 where it increased to 22.59% whilst for the rural areas it varied widely over the period and fell to 7.51% in 2008 but peaked at 100% in 2010.

Table 4.45. Level of education of participants employed in informal activities (non-agricultural) in the Gauteng Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, Secondary & Tertiary, % Education							
	Primary		Secondary		Tertiary		Primary		Secondary		Tertiary			
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural		
2008	1 058	169	621	517	477	0	2 156	686	49.07	90.52	75.36	75.36	22.12	0
2009	422	186	217	778	255	0	894	964	47.20	19.29	24.27	80.71	28.52	0
2010	988	699	747	574	0	0	1 735	1 273	56.95	54.91	43.05	45.09	0	0
2011	978	230	759	1 043	479	0	2 216	1 273	44.13	18.07	34.25	81.93	21.62	0
2012	351	1 584	888	1 493	0	0	1 239	3 077	28.33	51.48	71.67	48.52	0	0
2013	287	0	1 896	605	0	0	2 183	605	13.15	0	86.85	100	0	0
2014	574	0	2 558	919	0	443	3 132	1 362	18.33	0	81.67	67.47	0	32.53
2015	988	0	2 518	0	850	0	4 356	850	22.68	0	57.81	0	19.51	0
2017	630	0	2 187	944	0	986	2 817	1 930	22.36	0	77.64	48.91	0	51.09
2018	2 696	0	3 332	900	0	354	6 028	1 254	44.72	0	55.28	71.77	0	28.23
2019	1 086	561	3 539	2 691	0	0	4 625	3 252	23.48	17.25	76.52	82.74	0	0
	Annual change													
2009	-636	17	-404	261	-222	0	-1 262	278	-1.87	-71.23	-51.09	5.35	6.4	0
	(-60.11%)	(10.06%)	(-65.06%)	(50.48%)	(-46.54%)		(-58.53%)	(40.52%)						
2010	566	573	530	-204	-255	0	841	309	9.75	35.62	18.78	-35.62	-28.52	0
	(134.10%)	(275.80%)	(244.24%)	(-26.22%)	(-100%)		(94.07%)	(32.05%)						
2011	-10	-469	12	469	479	0	481	0	-12.82	-38.84	-8.8	36.84	21.62	0
	(-1.01%)	(-67.10%)	(1.61%)	(81.71%)	(100%)		(27.72%)							
2012	-627	1 354	129	450	-479	0	-977	1 804	-15.8	33.41	37.42	-33.41	-21.62	0
	(-64.11%)	(588.70%)	(17%)	(43.14%)	(-100%)		(-44.09%)	(141.05%)						
2013	-64	-1 584	1 008	-888	0	0	944	-2 472	-15.18	-51.48	15.18	51.48	0	0
	(-18.23%)	(-100%)	(113.51%)	(-59.48%)			(76.19%)	(-80.34%)						
2014	287	0	662	314	0	443	949	757	5.18	0	-5.18	-32.53	0	32.53
	(100%)		(34.92%)	(51.90%)		(100%)	(43.47%)	(125.12%)						
2015	414	0	-40	-919	850	-443	1 224	-512	4.35	0	-23.86	-67.47	19.51	-32.53
	(72.13%)		(-1.56%)	(-100%)	(100%)	(-100%)	(39.08%)	(-37.59%)						
2017	-358	0	-331	944	-850	986	-1 539	1 080	-0.32	0	19.83	48.91	-19.51	51.09
	(-36.23%)		(-13.15%)	(100%)	(-100%)	(100%)	(-35.33%)	(127.06%)						
2018	2 066	0	1 145	-44	0	-632	3 211	-676	22.36	0	-22.36	22.86	0	-22.86
	(327.90%)		(52.35%)	(-4.66%)		(-64.10%)	(113.99%)	(-35.03%)						
2019	-1 610	561	207	1 791	0	-354	-1 403	1 998	-21.24	17.25	21.24	10.97	0	-28.23
	(-59.72%)	(100%)	(6.21%)	(199%)		(-100%)	(-23.27%)	(159.33%)						

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.45 shows that for the Gauteng Province, the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas increased from 1 058 in 2008 to 1 086 in 2019, which was an increase of 3% over the eleven-year period. At the same time, the number of people with primary education employed in informal activities (non-agricultural) for the rural formal areas increased from 169 in 2008 to 561 in 2019 pointing to an increase of 232% over the same period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the tribal areas increased from 621 in 2008 to 3 539 over the period constituting 470% increase. The number of people with secondary education in informal activities (non-agricultural) for the rural areas rose from 517 in 2008 to 2 691 in 2019, an increase of 421% over the period. By contrast, for those with tertiary education, the number of people employed in informal activities (non-agricultural) in the tribal areas decreased from 477 in 2008 to 0 in 2019, which is a decrease of 100% over the period. For the rural areas, the number of people with tertiary education in informal activities remained constant at 0 in 2008 and 0 in 2019. It is clear that for informal activities (non-agricultural) in both the tribal and rural areas, the percentage change in employment for those with secondary education exceeded 400%.

Table 4.45 also shows the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education in informal activities (non-agricultural) were below 40% over the period, except in 2010 where it increased to 56.95% in the tribal areas whilst the figure for rural areas varied over the period but peaked at 90.52% and was the lowest in 2019 at 17.25%. In the case of those with secondary education, employment in informal activities (non-agricultural) varied below 70% for most years except in 2013 where it increased to 86.85%, whilst the figure for the rural areas varied over the period and fell to 45.09% in 2010 but peaked at 100% in 2013. On the other hand, for those with tertiary education, the number employed in informal activities (non-agricultural), varied over the period but peaked at 28.52% in 2009 and was the lowest in 2019 at 0%. For the rural areas, the employment of those with tertiary education fell to 0% for most years but peaked at 51.09% in 2017.

Table 4.46. Level of education of participants employed in informal activities (non-agricultural) in the Free State Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, Secondary & Tertiary % Education							
	Primary		Secondary		Tertiary		Primary		Secondary		Tertiary			
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural		
2008	806	281	2 475	1 074	0	160	3 281	1 515	24.57	18.55	75.43	70.89	0	10.56
2009	500	401	2 538	886	255	354	3 293	1 641	15.18	24.44	77.07	53.99	7.74	21.57
2010	905	83	4 634	60	743	61	6 282	204	14.41	40.69	73.74	7	11.83	29.90
2011	1 305	610	2 852	2 592	2 873	228	7 030	3 430	18.56	17.78	40.57	75.57	40.87	6.65
2012	281	1 419	3 633	166	153	0	4 067	1 585	6.91	89.83	89.33	10.47	3.76	0
2013	1 356	0	2 256	150	1 073	70	4 685	220	28.94	0	48.15	68.18	22.90	31.82
2014	1 387	0	3 608	426	770	1 087	5 765	1 513	24.06	0	62.58	28.16	13.36	71.84
2015	214	0	4 997	746	163	0	5 374	746	3.98	0	92.98	100	3.03	0
2017	1 365	80	3 304	828	674	286	5 343	1 194	25.55	6.70	61.84	69.35	12.61	23.95
2018	1 280	127	3 863	721	1 399	323	6 542	1 171	19.57	10.85	59.05	61.57	21.38	27.58
2019	868	445	3 120	175	0	414	3 988	1 034	21.77	43.04	78.23	16.92	0	40.04
	Annual change													
2009	-306 (-37.97%)	120 (42.70%)	63 (2.55%)	-188 (-17.50%)	255 (100%)	194 (121.25%)	12 (0.37%)	126 (8.32%)	-9.39	5.89	1.64	-16.9	7.74	11.01
2010	405 (81%)	-318 (-79.30%)	2 096 (82.58%)	-826 (-93.23%)	488 (191.37%)	-293 (-82.77%)	2 989 (90.77%)	-1 437 (-87.57%)	-0.77	16.25	-3.33	-46.99	4.09	8.33
2011	400 (44.20%)	527 (635%)	-1 782 (-38.45%)	2 532 (4 220%)	2 130 (286.68%)	167 (273.77%)	748 (11.91%)	3 226 (1 581.37%)	4.15	-22.91	-33.17	68.57	29.04	-23.25
2012	-1 024 (-39.54%)	809 (132.60%)	781 (27.38%)	-2 426 (-93.60%)	-2 720 (-94.51%)	-228 (-100%)	748 (11.91%)	-1 845 (-53.79%)	-11.65	72.05	48.76	-65.1	-37.11	-6.65
2013	1 075 (382.70%)	-1 419 (-100%)	-1 377 (-37.90%)	-16 (-9.64%)	920 (601.31%)	70 (100%)	618 (15.20%)	-1 365 (-86.12%)	22.03	-89.83	-41.18	57.71	19.14	31.82
2014	31 (2.29%)	0	1 352 (59.93%)	276 (184%)	-303 (-28.24%)	1 017 (1 452.86%)	1 080 (23.05%)	1 293 (587.73%)	-4.88	0	14.43	-40.02	-9.54	40.02
2015	-1 173 (-84.57%)	0	1 389 (38.50%)	320 (75.12%)	-607 (-78.83%)	-1 087 (-100%)	-391 (-6.78%)	-767 (-50.69%)	-20.08	0	30.4	71.84	-10.33	-71.84
2017	1 151 (537.90%)	80 (100%)	-1 693 (-33.88%)	82 (10.99%)	511 (313.50%)	286 (1)00%	-31 (-0.58%)	448 (60.05%)	21.57	6.70	-31.14	-30.65	9.58	23.95
2018	-85 (-6.23%)	47 (58.75%)	559 (16.92%)	-107 (-12.92%)	725 (107.57%)	37 (12.94%)	1 199 (22.44%)	-23 (-1.93%)	-5.98	4.15	-2.79	-7.78	8.77	3.63
2019	-420 (-32.19%)	318 (250.40%)	-743 (-19.23%)	-546 (-75.73%)	-1 399 (-100%)	91 (28.17%)	-2 554 (-39.04%)	-137 (-11.70%)	2.2	32.19	19.18	-44.65	-21.83	12.46

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.46 shows that for the Free State Province the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas increased from 806 in 2008 to 868 in 2019, which was an increase of 8% over the eleven-year period. At the same time, the number of people employed in informal activities (non-agricultural) for the rural formal areas increased from 281 in 2008 to 445 in 2019, an increase of 58% over the period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the tribal areas increased marginally from 2 475 in 2008 to 2 538 constituting a 3% increase. However, the number of people with primary education in informal activities (non-agricultural) for the rural areas fell from 1 074 in 2008 to 175 in 2019, an 84% decrease. For those with tertiary education, the number of people employed in informal activities (non-agricultural) in the tribal areas remained constant at 0 from 2008 to 2019. For the rural areas, the number of people with tertiary education in informal activities increased from 160 in 2008 to 414 in 2019, an increase of 159% over the period. It is clear that for informal activities (non-agricultural) in the rural areas, the percentage change in employment for those with tertiary education exceeded 100%.

Table 4.46 also depicts the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education in informal activities (non-agricultural) were below 25% over the period in the tribal areas whilst the figure for rural areas varied over the period but peaked at 89.83% in 2012 and was the lowest in 2017 at 6.70%. In the case of those with secondary education, employment in informal activities (non-agricultural) was below 70% over the period except in 2012 and 2015 where it comprised 89.83% and 92.98%, respectively. For the rural areas, the employment of those with secondary education varied over the period and fell to 7% in 2010 but peaked at 100% in 2015. On the other hand, for those with tertiary education, the number employed in informal activities (non-agricultural) was below 20% over the period except in 2011 where it comprised 40.57% whilst for the rural areas the figure also varied over the same period and fell to 10.56% in 2008 but peaked at 71.84% in 2014.

Table 4.47. Level of education of participants employed in informal activities (non-agricultural) in the Northern Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities						Total employed: Primary, Secondary & Tertiary		% Education					
	Primary		Secondary		Tertiary		Tribal	Rural	Primary		Secondary		Tertiary	
	Tribal	Rural	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	175	67	291	438	90	359	556	864	31.74	7.75	52.34	50.69	16.19	41.55
2009	526	0	346	212	67	107	939	319	56.02	0	36.85	66.46	7.14	33.54
2010	183	236	863	331	156	0	1 202	567	15.22	41.62	71.80	58.38	12.98	0
2011	207	40	946	317	184	0	1 337	357	15.48	11.20	70.76	88.82	13.76	0
2012	271	133	1 420	380	234	0	1 925	513	14.08	25.93	73.77	74.07	12.16	0
2013	513	337	691	368	407	0	1 611	705	31.84	47.80	42.89	52.20	25.26	0
2014	492	312	820	310	105	0	1 417	622	34.72	50.16	57.87	49.84	7.41	0
2015	0	405	1 741	811	822	0	2 563	1 216	0	33.31	67.93	66.69	32.07	0
2017	338	91	2 550	1 402	0	528	2 888	2 021	11.70	4.50	88.30	69.37	0	26.13
2018	0	114	1 743	459	0	0	1 743	573	0	19.90	100	80.10	0	0
2019	93	304	1 008	125	188	0	1 289	429	7.21	70.86	78.20	29.14	14.58	0
	Annual change													
2009	351 (200.60%)	-67 (-100%)	55 (18.90%)	-226 (-51.60%)	-23 (-25.56%)	-252 (-70.19%)	383 (68.88%)	-545 (-63.08%)	24.28	-7.75	-15.49	50.27	-9.05	-8.01
2010	-343 (-65.21%)	236 (100%)	517 (149.42%)	119 (56.13%)	89 (132.84%)	-107 (-100%)	263 (28.01%)	248 (77.74%)	-40.8	41.62	34.95	-8.08	5.84	-33.54
2011	24 (13.11%)	-196 (-83.05%)	83 (9.62%)	-14 (-4.23%)	28 (17.95%)	0	135 (11.23%)	-210 (-37.04%)	0.26	-30.42	-1.04	30.44	0.78	0
2012	64 (30.92%)	93 (232.50%)	474 (50.11%)	63 (19.87%)	50 (27.17%)	0	588 (43.98%)	156 (43.70%)	-1.4	14.73	3.01	-14.75	-1.6	0
2013	242 (89.30%)	204 (153.40%)	-729 (-51.34%)	-12 (-3.16%)	173 (73.93%)	0	-314 (-16.31%)	192 (37.43%)	5.91	21.87	-30.88	-21.87	13.1	0
2014	-21 (-4.09%)	-25 (-7.42%)	129 (18.67%)	-58 (-15.76%)	-302 (-74.20%)	0	-194 (-12.04%)	-83 (-11.77%)	2.88	2.36	14.98	-2.36	-17.85	0
2015	-492 (-100%)	93 (29.81%)	921 (112.32%)	501 (161.61%)	717 (682.86%)	0	1 146 (80.88%)	594 (95.50%)	-34.72	-16.85	10.06	8.82	24.66	0
2017	338 (100%)	-314 (-77.53%)	809 (46.47%)	591 (72.87%)	-822 (-100%)	528 (100%)	325 (12.68%)	805 (66.20%)	11.70	-28.81	20.37	2.68	-32.07	26.13
2018	-338 (-100%)	23 (25.27%)	-807 (-31.65%)	-943 (-67.26%)	0 (-100%)	-528 (-100%)	-1 145 (-39.65%)	-1 448 (-71.65%)	-11.70	15.4	11.7	10.73	0	-26.13
2019	93 (100%)	190 (166.70%)	-735 (-42.17%)	-334 (-72.77%)	188 (100%)	0	-454 (-26.05%)	-144 (-25.13%)	7.21	50.96	-21.8	-50.96	14.58	0

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.47 shows that for the Northern Cape Province, the number of people with primary education employed in informal activities (non-agricultural) in the tribal areas decreased from 175 in 2008 to 93 in 2019, a decrease of 47% over the eleven-year period. However, the number of people with primary education employed in informal activities (non-agricultural) for the rural areas increased from 67 in 2008 to 304 in 2019 pointing to an increase of 354% over the same period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the tribal areas increased from 291 in 2008 to 1 008 over the same period showing a 246% increase. However, for those with secondary education in informal activities (non-agricultural) for the rural areas decreased from 438 in 2008 to 125 in 2019, pointing to 71% decrease. On the other hand, for those with tertiary education, the number of people employed in informal activities (non-agricultural) in the tribal areas increased from 90 in 2008 to 188 in 2019 constituting 109% increase over the period. For the rural areas, the number of people with tertiary education in informal activities decreased from 359 in 2008 to 0 in 2019 reflecting a decrease of 100% over the period. It is clear that for informal activities employment for those with primary education exceeded 100%.

Table 4.47 also shows the division in the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. Those with primary education in informal activities (non-agricultural) was below 35% over the period in the tribal areas except in 2009 where it increased to 56.02 whilst the figure for rural areas varied over the period but peaked at 70.86% in 2019 and was lowest in 2019 at 7.21%. In the case of those with secondary education, employment in informal activities (non-agricultural) was below 80% over the period except in 2017 where it increased to 88.30% whilst the figure for the rural areas varied over the period but peaked at 88.82% 2011 and was the lowest in 2019 at 29.14%. On the other hand, the number of those employed with tertiary education in informal activities (non-agricultural) was below 20% over the period except in 2015 where it increased to 32.07% whilst the figure for the rural areas varied over the period but peaked at 41.55% in 2008 and was the lowest in 2019 at 0%.

Table 4.48. Level of education of participants in informal activities (non-agricultural) in the Western Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities			Total employed: Primary, Secondary & Tertiary	% Employed		
	Primary	Secondary	Tertiary		Primary	Secondary	Tertiary
2008	407	547	244	1 198	33.97	45.66	20.37
2009	208	237	0	445	46.74	53.26	0
2010	101	471	0	572	17.66	82.34	0
2011	40	1 190	16	1 246	3.21	95.51	1.28
2012	622	376	321	1 319	47.16	28.51	28.34
2013	643	1 289	621	2 553	25.19	57.21	27.56
2014	0	1 358	0	1 358	0	100	0
2015	0	798	0	798	0	100	0
2017	0	1 121	549	1 670	0	67.13	32.87
2018	0	3 186	0	3 186	0	100	0
2019	0	1 208	0	1 208	0	100	0
	Annual change						
2009	-199 (-48.89%)	-310 (-56.67%)	-244 (-100%)	-753 (-62.85%)	12.77	7.6	-20.37
2010	-107 (-51.44%)	234 (98.73%)	0	127 (28.54%)	-29.08	29.08	0
2011	-61 (-60.40%)	719 (152.65%)	16 (100%)	674 (117.83%)	-14.45	13.17	1.28
2012	582 (1 455%)	-814 (-68.40%)	305 (1 906.25%)	73 (5.86%)	43.95	-67	27.06
2013	21 (3.38%)	913 (242.82%)	300 (93.46%)	1 234 (93.56%)	-21.97	28.7	0.22
2014	-643 (-100%)	69 (5.35%)	-621 (-100%)	-1 195 (-46.81%)	-25.19	42.19	-27.56
2015	0	-560 (-41.24)	0	-560 (-41.24%)	0	0	0
2017	0	323 (40.48%)	549 (100%)	872 (109.27%)	0	-32.87	32.87
2018	0	2 065 (184.21%)	-549 (-100%)	1 516 (90.78%)	0	32.87	-32.87
2019	0	-1 978 (-62.08%)	0	-1 978 (-62.08%)	0	0	0

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.48 shows that for the Western Cape Province, the number of people with primary education employed in informal activities (non-agricultural) in the rural areas decreased from 407 in 2008 to 0 in 2019, which is a decrease of 100% over the eleven year period. In the case of the number of people with secondary education, employment in informal activities (non-agricultural) in the rural areas increased from 547 in 2008 to 1 208 over the same period constituting 121% increase. On the other hand, the number of people employed in informal activities (non-agricultural) having tertiary education in the rural areas decreased from 244 in 2008 to 0 in 2019, a 100% decrease over the period. It is clear that for informal activities (non-agricultural), the percentage change in employment for those with secondary education exceeded 100%.

Table 4.48 also shows the level of education in the total employment in informal sector activities (non-agricultural) for rural areas. The number of those with primary education employed in informal activities (non-agricultural) in the rural areas varied over the period but peaked at 46.74% in 2009 and was the lowest for the years 2004-2019 at 0%. In the case of those with secondary education, employment in informal activities (non-agricultural) comprised over 40% for most years except in 2012 where it decreased to 28.51%. On the other hand, for those with tertiary education, the number of employed in informal activities (non-agricultural) varied over the period but peaked at 32.87% in 2017 and was the lowest in 2019 at 0%.

Table 4.49. Level of education of participants employed in informal activities (non-agricultural) in the four Province, 2008-2019 in thousands

Year	Limpopo		Eastern Cape		KwaZulu-Natal		North West		Total employment	% employed in Limpopo		% employed in EC		% employed in KZN		% employed in North West	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural		Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	61 239	262	34 229	1 563	57 104	2 063	13 389	3 880	173 729	35.25	0.15	19.70	0.90	32.87	1.19	7.71	2.23
2009	61 348	403	35 484	238	52 841	2 493	12 090	2 292	167 189	36.69	0.24	21.22	0.14	30.30	1.49	7.23	1.37
2010	70 585	939	36 571	0	50 664	5 693	15 201	1 426	181 079	38.98	0.52	20.20	0	27.98	3.14	8.39	0.79
2011	62 699	1 334	31 429	54	47 483	4 715	13 950	1 105	162 769	38.52	0.82	19.31	0.03	29.17	2.90	8.57	0.68
2012	67 530	1 430	34 891	0	48 417	2 729	16 271	870	172 138	39.23	0.83	20.27	0	28.13	1.59	9.45	0.51
2013	64 645	2 530	36 900	487	51 165	2 971	17 285	378	176 361	36.65	1.43	20.92	0.28	29.01	1.68	9.80	0.21
2014	86 554	766	32 306	523	65 548	4 601	13 362	2 922	206 582	41.90	0.37	15.64	0.25	31.73	2.23	6.47	1.41
2015	81 660	0	39 214	253	73 856	1 964	20 449	374	217 770	37.50	0	18.01	0.12	33.91	0.90	9.39	0.17
2017	87 785	1 477	39 220	1 999	76 802	2 187	22 475	876	232 821	37.70	3.77	16.85	0.86	32.99	0.94	9.65	0.38
2018	96 327	1 976	32 990	2 292	74 240	3 104	21 171	2 306	234 406	41.09	0.84	14.07	0.98	31.67	1.32	9.03	0.98
2019	105 260	2 223	37 412	3 392	79 571	7 033	20 050	1 824	256 765	40.99	0.87	14.57	1.32	30.99	2.74	7.81	0.71
Annual Change																	
2009	109 (0.18%)	141 (53.82%)	1 255 (3.67%)	-1 325 (-84.77%)	-4 263 (-7.47%)	430 (20.84%)	-1 299 (-9.70%)	-1 588 (-40.93%)	-6 540 (-3.76%)	1.44	0.09	1.52	-0.76	-2.57	0.3	-0.48	-0.86
2010	9 237 (15.06)%	536 (133%)	1 087 (3.06%)	-283 (-100%)	-2 177 (-4.12%)	3 200 (128.36%)	3 111 (25.73%)	-866 (-37.78%)	13 890 (8.31%)	2.29	0.28	-1.02	-0.14	-2.32	1.65	1.16	-0.58
2011	-7 886 (-11.17%)	395 (42.07%)	-5 142 (-14.06%)	54 (100%)	-3 181 (-6.28%)	-978 (-17.18%)	-1 251 (-8.23%)	-321 (-22.51%)	-18 310 (-10.11%)	-0.46	0.3	-0.89	0.03	1.19	-0.24	0.18	-0.11
2012	4 831 (7.71%)	96 (7.20%)	3 462 (11.02%)	-54 (-100%)	934 (1.97%)	-1 986 (-42.12%)	2 321 (16.64%)	-235 (-21.27%)	9 369 (5.76%)	0.71	0.01	0.96	-0.03	-1.04	-1.31	0.88	-0.17
2013	-2 885 (-4.27%)	1 100 (76.92%)	2 009 (5.76%)	487 (100%)	2 748 (5.68%)	242 (8.87%)	1 014 (6.23%)	-492 (-56.55%)	4 223 (2.45%)	-2.58	0.6	0.65	0.28	0.88	0.09	0.35	-0.3
2014	21 909 (33.89%)	-1 764 (-69.72%)	-4 594 (-12.45%)	36 (7.39%)	14 383 (28.11%)	1 630 (54.86%)	-3 923 (-22.70%)	2 544 (673.02%)	30 221 (17.14%)	5.25	-1.06	-5.28	-0.03	2.72	0.55	-3.33	1.2
2015	-4 894 (-5.65%)	-766 (-100%)	6 908 (21.38%)	-270 (-51.63%)	8 308 (12.67%)	-2 637 (-57.31%)	7 087 (53.04%)	-2 548 (-87.20%)	11 188 (5.42%)	-4.4	-0.37	2.37	-0.13	2.18	-1.33	2.92	-1.24
2017	6 125 (7.50%)	1 477 (100%)	6 (0.02%)	1 746 (690.12%)	2 946 (3.99%)	223 (11.35%)	2 026 (9.91%)	502 (134.22%)	15 051 (6.91%)	0.2	3.77	-1.16	0.74	-0.92	0.04	0.26	0.21
2018	8 542 (9.73%)	499 (33.78%)	-6 230 (-15.88%)	293 (14.66%)	-2 562 (-3.34%)	917 (41.93%)	-1 304 (-5.80%)	1 430 (163.24%)	1 585 (0.68%)	3.39	-2.93	-2.78	0.12	-1.23	0.98	-0.62	0.6
2019	8 933 (9.27%)	247 (12.50%)	4 422 (13.04%)	1 100 (47.99%)	5 331 (7.18%)	3 929 (126.58%)	-1 121 (-5.29%)	-482 (-20.90%)	22 359 (9.54%)	-0.1	0.03	0.5	0.34	-0.68	1.42	-1.22	-0.27

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.49 shows that for the Limpopo Province, the number of people with a level of education employed in informal activities (non-agricultural) in the tribal areas increased from 61 239 in 2008 to 105 260 in 2019, which was an increase of 72% over the eleven-year period. Similarly, the number of people employed in informal activities (non-agricultural) with the level of education for the rural formal areas increased from 262 in 2008 to 2 223 in 2019 pointing to an increase of 748% over the same period. For the KwaZulu-Natal Province, the number of people with the level of education in informal activities (non-agricultural) in the tribal areas increased from 57 104 in 2008 to 79 571 over the same period constituting 39% increase. At the same time, the number of people with the level of education in informal activities (non-agricultural) for the rural areas increased from 2 063 in 2008 to 7 033 in 2019, pointing to 241% increase.

In the Eastern Cape Province, the number of people with the level of education employed in informal activities (non-agricultural) in the tribal areas increased from 34 229 in 2008 to 37 412 in 2019 constituting a 9.30% increase over the period. For the rural areas, the number of people with the level of education in informal activities (non-agricultural) increased from 1 563 in 2008 to 3 392 in 2019 reflecting a decrease of 117% over the same period. In the North West Province, the number of people with a level of education, employed in informal activities (non-agricultural) in the tribal areas increased from 13 389 in 2008 to 20 050 in 2019 constituting a 49.75% increase over the eleven year period. At the same time, the number of people with the level of education in informal activities (non-agricultural) in the rural areas decreased from 3 880 in 2008 to 1 824 in 2019 point to a decrease of 52.99% over the same period. It is clear that for informal activities (non-agricultural) in the rural areas, the percentage change in employment for the number of people with a level of education exceeded 700%.

Table 4.49 also shows the level of education in the total employment in informal sector activities (non-agricultural) for both tribal and rural areas. In the Limpopo Province, the number of those with the level of education in informal activities (non-agricultural) comprised 30% over the period in the tribal areas but peaked at 41.90% in 2014 whilst the figure for rural areas was below 1% over the period. On the other hand, in the KwaZulu-Natal Province, the number of employed in informal activities (non-

agricultural) with the level of education in the tribal areas comprised 30% over the period, except in 2010 where it decreased to 27.98% whilst the figure for the rural areas was below 5% over the period. In the case of the Eastern Cape Province, the number employed in informal activities (non-agricultural) with the level of education was below 20% over the period in the tribal areas whilst the figure for the rural areas employment comprised 1% over the same period. In the North West Province, the number employed in informal activities (non-agricultural) with the level of education in the tribal areas was below 10% over the eleven year period whilst the figure for the rural areas was less than 1% for most years for the rural areas except in 2008 where it increased to 2.23%.

4.5.1.3 Age groupings

Table 4.50. Age groupings of participants in informal activities (non-agricultural) in Limpopo Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed		% Employed: 20-44 & 45+			
	20-44		45+				20-44		45+	
	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural	Tribal	Rural
2008	75 515	1 713	56 216	693	131 731	2 406	57.33	71.20	42.67	28.80
2009	152 497	3 774	62 776	1 247	215 273	5 021	70.84	75.16	29.16	24.84
2010	165 610	2 272	75 548	1 016	241 158	3 288	68.67	69.10	31.33	30.90
2011	153 640	2 288	73 794	446	227 434	2 734	67.55	83.69	32.45	16.31
2012	172 611	3 473	89 044	0	261 655	3 473	65.97	100	34.03	0
2013	174 924	6 295	97 675	1 025	272 599	7 320	64.17	86	35.83	14
2014	195 640	5 834	92 128	547	287 768	6 381	67.99	91.43	32.01	8.57
2015	190 432	1 420	79 987	1 149	270 419	2 569	70.42	55.27	29.58	44.73
2017	196 805	2 098	111 308	1 552	308 113	3 650	63.83	57.48	36.17	42.52
2018	216 539	1 238	121 237	1 122	337 776	2 360	64.11	52.46	35.89	47.54
2019	194 100	5 228	117 083	1 314	311 183	6 542	62.37	79.91	37.63	20.09
	Annual change									
2009	76 892 (101.94%)	2 061 (120.32%)	650 (11.70%)	554 (79.94%)	83 542(63.42%)	2 615(108.69%)	13.51	3.96	-13.51	-3.96
2010	13 113 (8.60%)	-1 506 (-39.80%)	12 772 (20.35%)	-231 (-18.52%)	25 885(12.02%)	-1 733(-34.52%)	-2.17	-6.06	2.17	6.06
2011	-11 970 (-7.23%)	16 (0.70%)	-1 754 (-2.32%)	-570 (-56.10%)	-13 724(-5.69%)	-554(-16.85%)	-1.12	14.59	1.12	-14.59
2012	18 971 (12.35%)	1 185 (51.79%)	15 250 (20.67%)	-446 (-100%)	34 221(15.05%)	739(26.94%)	-1.58	16.31	1.58	-16.31
2013	2 313 (1.34%)	2 822 (81.26%)	8 631 (9.69%)	1 025 (100%)	10 944(4.18%)	3 847(110.77%)	-1.8	-14	1.8	14
2014	20 716(11.84%)	-461 (-7.32%)	-5 547(-5.68%)	-478 (-46.63%)	15 169(5.56%)	-939(-12.83%)	3.82	5.43	-3.82	-5.43
2015	-5 208 (-2.66%)	-4 414 (-75.66%)	-12 141 (-13.18%)	602 (110.10%)	-17 349(-6.03%)	-3 812(-59.74%)	2.43	-36.16	-2.43	36.16
2017	6 373 (3.35%)	678 (47.75%)	31 411 (39.27%)	403 (35.07%)	37 694(13.94%)	1 081(42.08%)	-6.59	2.21	6.59	-2.21
2018	19 734 (10.03%)	-860(-40.99%)	9 929(8.92%)	-430(-27.11%)	29 668(9.63%)	-1 290(-35.34%)	0.28	-5.02	-0.28	5.02
2019	-22 439 (-10.60%)	3 990 (322.29%)	-4 154 (-3.43%)	192(17.11%)	-26 591(-7.87%)	4 182(177.20%)	-1.74	27.45	1.74	-27.45

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.50 shows that for the Limpopo Province, the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas increased from 75 515 in 2008 to 194 100 in 2019, which was an increase of 157% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 56 216 in 2008 to 117 083 in 2019, amounting to a 108.27% increase over the period. For the employment of those aged 20-44 in informal activities (non-agricultural) for the rural areas, the number increased from 1 713 in 2008 to 5 228 in 2019 a 205% increase over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas rose from 693 in 2018 to 1 314 in 2019, which indicates a 90% increase over the period. It is clear that for informal activities in both the tribal and rural areas, the percentage change in employment for those aged 20-44 exceeded 100% over the period.

Table 4.50 also shows the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 60% in the tribal areas for those aged 20-44 except in 2009 and 2015 where it increased to 70.84% and 70.42%, respectively, whilst the figure for rural areas varied over the period but peaked at 100% in 2012 and was lowest in 2018 at 52.46%. In the case of those aged 45+, the employment in informal activities (non-agricultural) as a percentage of total employment in tribal areas comprised over 30% for the period, except in 2008, where it increased to 42.67% while it fell to 29.16% in 2009. The employment of those aged 45+ as a percentage of total employment in rural areas varied over the eleven-year period and fell to 8.57% in 2014 but peaked at 47.54% in 2018.

Table 4.51. Age groupings of participants in informal activities (non-agricultural) in the Eastern Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed		% Employed: 20-44 & 45+			
	20-44		45+		Tribal	Rural	20-44		45+	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	77 049	1 105	41 853	442	118 922	1 547	64.79	71.43	35.21	28.57
2009	100 798	1 095	45 379	422	146 177	1 517	68.76	72.18	31.04	27.82
2010	98 358	489	47 944	65	146 302	554	67.23	88.27	32.77	11.73
2011	82 145	661	45 517	0	127 662	661	64.35	100	35.65	0
2012	197 788	0	35 567	502	233 355	502	84.76	0	15.23	100
2013	95 447	956	39 085	90	134 532	1 046	70.95	91.40	29.05	8.60
2014	82 611	1 673	38 336	663	120 947	2 336	68.30	71.62	31.70	28.38
2015	93 185	1 287	35 568	238	128 753	1 525	72.38	84.39	27.62	15.61
2017	86 534	4 319	49 360	1 149	135 894	5 468	63.68	78.99	36.32	21.01
2018	92 077	2 951	43 174	1 508	135 251	4 459	68.08	66.18	31.92	33.82
2019	87 470	3 621	43 731	25	131 201	3 646	66.67	99.31	33.33	0.69
	Annual change									
2009	23 749 (30.82%)	-10 (-0.90%)	3 526 (8.42%)	-20 (-4.52%)	27 255(22.92%)	-30(-1.94%)	3.97	0.75	-4.17	-0.75
2010	-2 440 (-2.42%)	-606 (-55.34%)	2 565 (5.65%)	-357 (-84.60%)	125(0.09%)	-963(-63.48%)	-1.53	16.09	1.73	-16.09
2011	-16 213 (-16.48%)	17 235 (17%)	-2 427 (-5.06%)	-65 (-100%)	-18 640(-12.74%)	107(19.31%)	-2.88	11.73	2.88	-11.73
2012	14 643 (17.83%)	-661 (-100%)	-9 950(-21.86%)	502 (100%)	105 673(82.78%)	-159(-24.05%)	20.41	-100	-20.42	100
2013	-2 341 (-2.39%)	956 (100%)	3 518 (9.89%)	-412 (-82.07%)	-98 803(-42.34%)	544(108.37%)	-13.81	91.40	13.82	-91.4
2014	-12 836 (-13.45%)	717 (75%)	-749 (-1.92%)	573 (636.70%)	-13 585(-10.10%)	1 290(123.33%)	-2.65	-19.78	2.65	19.78
2015	10 574 (12.80%)	-386 (-23.07%)	-2 768 (7.22%)	-425 (-64.10%)	7 806(6.45%)	-811(-34.72%)	4.08	12.77	-4.08	-12.77
2017	-6 651 (-7.14%)	3 032(235.60%)	13 792 (38.78%)	911 (382.80%)	7 141(5.55%)	3 943(258.56%)	-8.7	-5.4	8.7	5.4
2018	5 543 (6.41%)	-1 368 (-31.67%)	-6 186 (-12.53%)	359 (39.24%)	-643(-0.47%)	-1 009(-18.45%)	4.4	-12.81	-4.4	12.81
2019	-4 607 (-5%)	670 (22.70%)	1 557 (3.61%)	-1 483 (-98.34%)	-4 050(-2.99%)	-813(-18.23%)	-1.41	33.13	1.41	-33.13

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.51 shows that for the Eastern Cape Province, the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas increased from 77 049 in 2008 to 87 470 in 2019, which was an increase of 14% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 41 853 in 2008 to 43 731 in 2019, amounting to 5% increase over the period. The employment of those aged 20-44 in informal activities (non-agricultural) for the rural areas, increased from 1 105 in 2008 to 3 621 in 2019, pointing to a 228% increase over the eleven-year period. However, the number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas decreased from 442 in 2008 to 25 in 2019, a 94% decline over the period. It is clear that for informal activities in the rural areas, the percentage change in employment for those aged 20-44 exceeded 200%.

Table 4.51 also shows the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 60% in the tribal areas for those aged 20-44 except in 2012, 2013 and 2015 where it constituted 84.76%, 70.95% and 72.36%, respectively. For the rural areas, the employment of those aged 20-44 varied over the period and fell to 0% in 2012 but peaked at 99.31% in 2019. In the case of those aged 45+, employment in informal activities as a percentage of total employment in tribal areas comprised over 30% for the period, except in 2012 where it fell to 15.23%. The employment of those aged 45+ as a percentage of total employment in rural areas was below 30% for most years but peaked at 100% in 2012.

Table 4.52. Age groupings of participants in informal activities (non-agricultural) in the KwaZulu-Natal Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed		% Employed: 20-44 & 45+			
	20-44		45+		Tribal	Rural	20-44		45+	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	110 093	6 399	54 062	1 117	164 155	7 516	67.07	85.14	32.93	14.86
2009	130 154	6 867	55 980	1 053	186 134	7 920	69.92	86.70	30.08	13.30
2010	112 534	11 411	58 834	3 496	171 368	14 907	65.67	76.55	34.33	23.45
2011	124 637	11 637	56 096	3 965	180 732	15 602	68.96	74.59	31.04	25.41
2012	113 182	7 240	50 752	2 477	163 934	9 717	69.27	74.51	30.73	25.49
2013	118 749	8 259	47 163	4 658	165 912	12 917	71.57	63.94	28.43	36.06
2014	130 254	9 507	68 168	3 849	198 422	13 356	65.64	71.18	34.36	28.82
2015	145 372	5 815	57 336	3 565	202 708	9 380	71.71	61.99	28.29	38.01
2017	127 565	5 412	67 448	2 670	184 901	8 082	68.99	66.96	31.01	33.04
2018	144 678	11 271	73 152	1 717	217 830	12 988	66.42	86.78	33.58	13.22
2019	116 263	13 719	75 561	4 983	191 824	18 702	60.61	73.36	39.39	26.64
	Annual change									
2009	20 061 (18.22%)	468 (7.31%)	1 918 (3.55%)	-64 (-5.73%)	21 979(13.39%)	404(5.38%)	2.85	1.56	-2.85	-1.56
2010	-17 620 (-13.54%)	4 544 (66.17%)	2 854 (5.10%)	2 443 (232%)	-14 766(-7.93%)	6 987(88.22%)	-4.25	-10.15	4.25	10.15
2011	-12 103 (10.75%)	226 (1.98%)	-2 738 (-4.65%)	199 (5.69%)	9 364(5.46%)	695(4.66%)	3.29	-1.96	-3.29	1.96
2012	-11 455 (-9.19%)	-4 397 (-37.78%)	-5 344 (-9.53%)	-1 218 (-32.96%)	-16 798(-9.29%)	-5 885(-37.72%)	0.31	-0.08	-0.31	0.08
2013	5 567 (4.92%)	1 019 (14.07%)	-3 589 (-7.07%)	218(88%)	1 978(1.21%)	3 200(32.93%)	2.3	-10.57	-2.3	10.57
2014	11 505 (9.69%)	1 248 (15.11%)	21 005 (44.54%)	-809 (-17.37%)	32 510(19.59%)	439(3.40%)	-5.93	7.24	5.93	-7.24
2015	15 118 (11.61%)	-3 692 (-38.83%)	-16 832 (-34.69%)	-284 (-7.38%)	4 286(2.16%)	-3 976(-29.77%)	6.07	-9.19	-6.07	9.19
2017	-17 807 (-12.25%)	-403 (-6.93%)	16 112 (31.39%)	-895 (-25.11%)	-17 807(-8.78%)	-1 298(-13.84%)	-2.72	4.97	2.72	-4.97
2018	17 113 (13.42%)	5 869 (108.26%)	5 704 (8.46%)	-953 (-35.69%)	32 929(17.81%)	4 906(60.70%)	-2.57	19.82	2.57	-19.82
2019	-28 415 (-19.64%)	2 448 (21.72%)	2 409 (3.29%)	3 266 (190.02%)	-26 006(-11.94%)	5 714(43.99%)	-5.81	-13.42	5.81	13.42

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.52 shows that for the KwaZulu-Natal Province, the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas increased from 110 093 in 2008 to 116 263 in 2019, which was an increase of 6% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 54 062 in 2008 to 75 561 in 2019, amounting to a 40% increase over the period. On the other hand, for those aged 20-44 employed in informal activities (non-agricultural) for the rural areas, the number increased from 6 399 in 2008 to 13 719 in 2019, pointing to a 114% increase over the eleven year period. The number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas increased from 1 117 in 2008 to 4 983 in 2019, which indicates a 346% increase over the period. It is clear that for informal activities in the rural areas, the percentage change in employment for those aged 45+ exceeded 300%.

Table 4.52 also shows the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 60% in the tribal areas for those aged 20-44 except in 2013 and 2015 where it constituted 71.57% and 71.18%, respectively, whilst the figure for rural areas was below 90% over the period. In the case of those aged 45+, employment in informal activities as a percentage of total employment in tribal areas comprised over 30% over the period, except in 2013 and 2015 where it fell to 28.43% and 28.29%, respectively. On the other hand, the employment of those aged 45+ as a percentage of total employment in rural areas was below 40% over the eleven year period.

Table 4.53. Age groupings of participants in informal activities (non-agricultural) in the North West Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed		% Employed: 20-44 & 45+			
	20-44		45+		Tribal	Rural	20-44		45+	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	25 764	7 015	13 178	1 057	38 942	8 072	66.16	86.91	33.84	13.09
2009	31 372	6 383	14 915	1 810	46 287	8 193	67.78	77.91	32.22	22.09
2010	35 302	2 055	13 583	708	48 885	2 763	72.21	74.38	27.79	25.62
2011	30 215	1 372	13 321	825	43 536	2 247	69.40	61.06	30.60	38.94
2012	32 142	3 719	18 330	875	50 472	4 594	63.68	80.95	36.32	19.05
2013	40 255	698	21 059	3 616	61 314	4 314	65.65	16.18	34.35	83.82
2014	40 303	3 421	18 055	986	58 358	4 407	69.06	77.63	30.94	22.37
2015	35 290	3 133	19 896	1 600	55 186	4 733	63.95	66.19	36.05	33.81
2017	42 299	3 165	28 166	420	70 465	3 585	60.03	88.28	39.97	11.72
2018	43 625	4 869	20 573	90	64 198	4 959	67.95	98.19	32.05	1.81
2019	38 572	4 932	16 730	1 306	55 302	6 238	59.75	79.06	30.25	20.94
					Annual change					
2009	5 608 (21.77%)	-632 (-9.01%)	1 737 (13.18%)	753 (71.24%)	7 342(18.86%)	121(1.50%)	1.62	-9	-1.62	9
2010	3 930 (12.53%)	-4 328 (-67.81%)	1 332 (8.93%)	-1 102 (-60.88%)	2 598(5.61%)	-5 430(-66.28%)	4.43	-3.53	-4.43	3.53
2011	-5 087 (-14.41%)	-683 (-33.24%)	-262 (-1.93%)	117 (16.53%)	-5 349(-10.94%)	-516(-18.68%)	-2.81	-13.32	2.81	13.32
2012	1 927 (6.38%)	2 347 (171.06%)	5 009 (37.60%)	50 (6.06%)	6 936(15.93%)	2 347(104.45%)	-5.72	19.89	5.72	-19.89
2013	8 113 (25.24%)	-302 (-81.23%)	2 729 (14.89%)	2 741 (313.30%)	10 842(21.48%)	-280(-6.09%)	1.97	-64.77	-1.97	64.77
2014	48 (0.12%)	2 723 (390.11%)	-3 004 (-14.26%)	-2 630 (-72.73%)	-2 956(-4.82%)	93(2.16%)	3.41	61.45	-3.41	-61.45
2015	-5 013 (-12.44%)	-288 (-8.42%)	1 841 (10.20%)	614 (62.27%)	-3 172(-5.44%)	326(7.40%)	-5.11	-11.44	5.11	11.44
2017	14 009 (39.70%)	32 (1.02%)	8 270 (41.57%)	-1 180 (-73.75%)	15 279(27.69%)	-1 148(-24.26%)	-3.92	24.33	3.92	-22.09
2018	-5 674 (-11.51%)	1 704 (53.84%)	-7 653(-27.17%)	-330 (-78.57%)	-626 (-8.89%)	1 374(38.33%)	7.92	9.91	-7.92	-9.91
2019	-5 053 (-11.58%)	63 (1.29%)	-3 783 (-18.44%)	1 216 (1 351.11%)	-8 896(-13.86%)	1 279(25.79%)	-8.2	-19.13	0.2	19.13

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.53 shows that for the North West Province, the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas increased from 25 764 in 2008 to 38 572 in 2019, which was an increase of 50% over the eleven year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 13 178 in 2008 to 16 730 in 2019, amounting to 27% increase over the same period. On the other hand, for those aged 20-44 employed in informal activities (non-agricultural) for the rural areas, the number decreased from 7 015 in 2008 to 4 932 in 2019, a 30% decrease over the eleven-year period. The number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas decreased from 1 057 in 2008 to 1 036 in 2019, which indicates a 2% decrease over the period. It is clear that for informal activities in the tribal areas, the percentage change in employment for those aged 20-44 comprised 50%.

Table 4.53 also highlights the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 60% in the tribal areas for those aged 20-44 except in 2010 where it constituted 72.21% and then decreased to 59.75% in 2019 whilst the figure for rural areas varied over the period and fell to 16.18% in 2013 but peaked at 98.19% in 2018. In the case of those aged 45+, employment in informal activities as a percentage of total employment in tribal areas comprised over 30% over the period, except in 2010 where it fell to 27.79%. On the other hand, the employment of those aged 45+ as a percentage of total employment in rural areas varied over the eleven year period but peaked at 83.82% in 2013 and was the lowest in 2018 at 1.81%.

Table 4.54. Age groupings of participants in informal activities (non-agricultural) in the Mpumalanga Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed		% Employed: 20-44 & 45+			
	20-44		45+		Tribal	Rural	20-44		45+	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	76 252	2 585	33 007	1 906	109 259	4 491	69.79	57.56	30.21	42.44
2009	83 944	7 061	31 048	3 157	114 992	10 218	73	69.10	27	30.90
2010	82 376	3 364	32 601	3 713	114 977	7 077	71.65	47.53	28.35	52.47
2011	84 136	4 613	39 223	1 056	123 359	5 679	68.20	81.23	31.80	18.77
2012	101 907	3 385	40 947	1 066	142 854	4 451	71.34	76.05	28.66	23.95
2013	102 630	6 174	40 346	1 082	142 976	7 256	71.78	85.09	28.22	14.92
2014	85 879	3 318	35 348	453	121 227	3 771	70.84	87.99	29.16	12.01
2015	78 745	3 479	36 377	3 042	115 122	6 521	68.40	53.35	31.60	46.65
2017	112 399	7 350	52 684	1 302	167 071	8 652	67.28	84.95	32.72	15.05
2018	106 199	4 032	54 672	850	160 871	4 882	66.02	82.59	33.98	17.41
2019	114 262	4 144	51 850	826	166 112	4 970	68.79	83.38	31.21	16.62
	Annual change									
2009	7 692 (10.09%)	4 476 (173.15%)	-1 959 (-5.94%)	1 251 (65.63%)	5 733(5.25%)	5 727(127.52%)	3.21	11.54	-3.21	-11.54
2010	-1 568 (-1.87%)	-3 697 (-52.36%)	1 553 (5%)	556 (17.61%)	-15(-0.01%)	-3 141(-30.74%)	2.55	-21.57	1.35	21.57
2011	1 760 (2.14%)	1 249 (37.13%)	6 622 (20.31%)	-2 657 (-71.56%)	8 382(7.29%)	-1 398(-19.75%)	-3.45	33.7	3.45	-33.7
2012	17 771 (21.12%)	-1 228 (-26.62%)	1 724 (5.90%)	10 (0.95%)	19 495(13.65%)	-1 228(-21.62%)	3.14	-5.18	-3.14	5.18
2013	723 (0.71%)	2 789 (82.36%)	-601 (-1.47%)	16 (1.50%)	122(0.09%)	2 805(63.02%)	0.44	9.04	-0.44	-9.03
2014	-16 751 (-16.32%)	-2 856 (-46.26%)	-4 998 (-12.39%)	-629 (-58.13%)	-21 749(-15.21%)	-3 485(-48.03%)	-0.94	2.9	0.94	-2.91
2015	-7 134 (-8.31%)	161 (4.85%)	1 029 (2.91%)	2 589 (571.50%)	-6 105(-5.04%)	2 750(72.92%)	-2.44	-34.64	2.44	34.64
2017	33 654 (42.74%)	3 871 (111.27%)	16 307 (44.83%)	-1 740 (-57.60%)	51 949(45.13%)	2 131(32.68%)	-1.12	31.6	1.12	-31.6
2018	-6 200 (-5.52%)	-3 318(-45.14%)	1 988 (3.77%)	-452 (-34.72%)	-6 200(-3.71%)	-3 770(-43.57%)	-1.26	-2.36	1.26	2.36
2019	8 063 (7.59%)	112 (7.59%)	-2 822(-5.16%)	-24 (-2.82%)	5 241(3.26%)	88(1.80%)	2.77	0.79	-2.77	-0.79

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.54 shows that for the Mpumalanga Province, the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas increased from 76 252 in 2008 to 114 262 in 2019, which was an increase of 50% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 33 007 in 2008 to 51 850 in 2019, amounting to 57% increase over the same period. On the other hand, for those aged 20-44 employed in informal activities (non-agricultural) for the rural areas, the number increased from 2 585 in 2008 to 4 144 in 2019, a 60% increase over the eleven-year period. However, the number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas decreased from 1 906 in 2008 to 826 in 2019, which indicates a 57% decrease over the period. It is clear that for informal activities (non-agricultural) in both the tribal and rural areas, the percentage change in employment for those aged 20-44 and 45+ comprised 50%.

Table 4.54 also depicts the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 60% in the tribal areas for those aged 20-44 but peaked at 71.78% in 2013 whilst the figure for rural areas varied over the period and fell to 47.53% in 2010 but peaked at 87.99% in 2014. In the case of those aged 45+, employment in informal activities as a percentage of total employment in tribal areas comprised over 30% for most years but fell to 27% in 2009. On the other hand, the employment of those aged 45+ as a percentage of total employment in rural areas varied over the period and fell to 12.01% in 2014 but peaked at 52.47% in 2010.

Table 4.55. Age groupings of participants in informal activities (non-agricultural) in the Gauteng Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed		% Employed: 20-44 & 45+			
	20-44		45+		Tribal	Rural	20-44		45+	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	5 795	2 763	1 043	283	6 838	3 046	84.75	90.71	15.25	9.29
2009	3 612	542	1 854	1 797	5 466	2 339	66.08	23.17	33.92	76.83
2010	6 918	2 656	2 949	361	9 867	3 017	70.11	88.03	29.89	11.97
2011	6 769	974	2 849	1 228	9 618	2 202	70.38	44.23	29.62	55.77
2012	4 552	2 308	3 769	2 227	8 321	4 535	54.70	50.89	45.30	49.11
2013	6 059	1 233	3 619	363	9 678	1 596	62.61	77.26	37.39	22.74
2014	6 444	2 076	1 358	944	7 802	3 020	82.59	68.74	17.41	31.26
2015	6 440	0	3 756	0	10 196	0	63.16	0	36.84	0
2017	4 608	2 683	2 956	2 012	7 564	4 695	60.92	57.15	39.08	42.85
2018	9 350	2 751	4 896	1 887	14 246	4 638	65.63	59.31	34.37	40.69
2019	5 125	5 589	3 370	2 203	8 495	7 792	60.33	71.73	39.67	28.27
	Annual change									
2009	-2 183 (-37.67%)	-222 (-80.38%)	811 (77.76%)	1 514(535%)	-1 372(-20.06%)	-707(-30.23%)	-18.67	-67.54	18.67	67.54
2010	3 306 (91.53%)	2 114 (390.04%)	1 095 (59.06%)	-1 436 (-79.91%)	4 401(80.52%)	678(28.99%)	4.03	64.86	-4.03	-64.86
2011	-149 (-2.15%)	-1 682 (-63.33%)	-100 (-3.39%)	867 (240.20%)	-249(-2.52%)	-815(-27.01%)	0.27	-43.8	-0.27	43.8
2012	-2 217 (-32.75%)	1 384 (136.96%)	920 (32.29%)	999 (32.29%)	-1 297(-13.49%)	2 333(105.95%)	-15.68	6.66	15.68	-6.66
2013	1 507 (33.11%)	-1 075(-46.58%)	-150(-3.98%)	-1 864 (-83.70%)	1 357(16.31%)	-2 939(-64.81%)	7.91	26.37	-7.91	-26.37
2014	385 (6.35%)	843 (68.37%)	-2 261 (-62.48%)	581 (147.80%)	-1 876(-19.38%)	1 424(89.22%)	19.98	-8.52	-19.98	8.52
2015	-4 (-0.06%)	-2 076 (-100%)	2 398 (176.80%)	-944 (-100%)	2 394(30.68%)	-3 020(-100%)	-19.43	-68.74	19.43	-31.26
2017	-1 832 (-28.45%)	2 863 (100%)	-800 (-21.30%)	2 012 (113.14%)	-2 632(-25.81%)	4 695(100%)	-2.27	57.15	2.24	42.85
2018	4 742 (102.90%)	68 (2.53%)	1 940 (65.63%)	-125 (-6.21%)	6 682(88.34%)	-57(-1.21%)	4.71	2.16	-4.71	-2.16
2019	-4 225 (-45.19%)	2 838 (103.20%)	-1 526 (-31.17%)	316 (16.75%)	-5 751(-40.37%)	3 154(68%)	-5.3	12.42	5.3	-12.42

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.55 shows that for the Gauteng Province that the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas decreased by 12% from 5 795 in 2008 to 5 125 in 2019. However, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 1 043 in 2008 to 3 370 in 2019, amounting to a 223% increase over the same period. On the other hand, for those aged 20-44 employed in informal activities (non-agricultural) for the rural areas, the number increased from 2 763 in 2008 to 5 589 in 2019, pointing to a 102% increase over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas increased from 283 in 2008 to 2 203 in 2019, which indicates a 678% increase over the period. It is clear that for informal activities in the rural areas, the percentage change in employment for those aged 45+ exceeded 600%.

Table 4.55 also shows the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 60% in the tribal areas for those aged 20-44 for most years whilst the figure for rural areas varied over the period but peaked at 90.71% in 2008 and was the lowest in 2015 at 0%. In the case of those aged 45+, employment in informal activities as a percentage of total employment in tribal areas comprised over 30% for most years. On the other hand, the employment of those aged 45+ as a percentage of total employment in rural areas varied over the eleven-year period but peaked at 76.83% in 2009 and was the lowest in 2015 at 0%.

Table 4.56. Age groupings of participants in informal activities (non-agricultural) in the Free State Province, 2008-2019 in thousands

Years	Number employed: informal activities				Total employed		% Employed: 20-44 & 45+			
	20-44		45+		Tribal	Rural	20-44		45+	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	5 507	6 399	3 969	1 117	9 476	7 516	58.12	85.14	41.88	14.86
2009	9 961	928	2 751	887	12 712	1 815	78.36	51.13	21.64	48.87
2010	12 342	385	4 305	571	16 647	956	74.14	40.27	25.86	59.73
2011	10 569	1 639	3 190	643	13 759	2 282	76.82	71.82	23.18	28.18
2012	10 412	2 226	2 896	333	13 308	2 559	78.24	86.99	21.76	13.01
2013	9 778	349	3 377	2 692	13 155	3 041	74.33	11.48	25.67	88.82
2014	12 836	2 131	4 107	318	16 943	2 449	75.76	87.02	24.24	12.98
2015	12 828	1 077	3 618	288	16 446	1 365	78	78.90	21.99	21.10
2017	11 752	652	4 941	920	16 693	1 572	70.40	41.48	29.60	58.52
2018	11 842	1324	4 070	323	15 912	1 647	74.42	80.39	25.58	19.61
2019	8 664	671	5 366	997	14 000	1 668	61.89	40.23	38.11	59.77
	Annual change									
2009	4 454(80.88%)	-5 471 (-85.50%)	-1 218 (-30.69%)	-230 (-20.59%)	3 236(34.15%)	-5 701(-75.85%)	20.24	-34.01	-20.24	34.01
2010	2 381 (23.90%)	-543 (-58.51%)	1 554 (56.49%)	-316 (-35.63%)	3 935(30.96%)	-859(-47.33%)	-4.22	-10.86	4.22	10.86
2011	-1 773(-14.37%)	1 254 (325.71%)	-1 115 (-25.90%)	72 (12.61%)	-2 888(-17.35%)	1 326(138.70%)	2.68	31.55	-2.68	-31.55
2012	-157 (-1.49%)	587 (35.81%)	-294 (-9.21%)	-310 (-48.21%)	-451(-3.28%)	277(12.14%)	1.42	15.17	-1.42	-15.17
2013	-634 (-6.09%)	-1 877 (-84.32%)	481 (16.61%)	2 359(708.40%)	-153(-1.15%)	482(18.84%)	-3.91	-75.51	3.91	75.81
2014	3 058 (31.27%)	1 782 (510.60%)	730 (21.62%)	-2 374 (-88.19%)	3 788(28.80%)	-592(-19.47%)	1.43	75.54	-1.43	-75.84
2015	-8 (-0.06%)	-1 054 (-49.46%)	-489 (-11.91%)	-30 (-9.43%)	-497(-2.93%)	-1 084(-44.26%)	2.24	-8.12	-2.25	8.12
2017	-1 076 (-8.39%)	-425 (-39.46%)	1 323 (36.57%)	632 (219.40%)	247(1.50%)	207(15.16%)	7.6	-37.42	7.61	37.42
2018	9 (0.77%)	672 (103.07%)	-871 (-17.63%)	-597 (-64.89%)	-781(-4.68%)	75(4.77%)	4	38.91	-4.02	-38.91
2019	-3 178 (-26.84%)	-653 (-49.32%)	1 296 (31.84%)	674 (208.70%)	-1 912(-12.02%)	21(1.28%)	-12.53	-40.16	12.53	40.16

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.56 shows that for the Free State Province, the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas increased from 5 507 in 2008 to 8 664 in 2019, which was an increase of 57% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 3 969 in 2008 to 5 366 in 2019, amounting to 35% over the same period. For the rural areas, the number for those aged 20-44 decreased from 6 399 in 2008 to 671 in 2019, a 90% decrease over the eleven year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas decreased by 11% from 1 117 in 2008 to 997 in 2019. It is clear that for informal activities in the tribal areas, the percentage change in employment for those aged 20-44 exceeded 50%.

Table 4.56 also shows the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 70% in the tribal areas for those aged 20-44 over the period except in 2019 where it decreased to 61.89% whilst the figure for rural areas varied over the period but peaked at 86.99% in 2012 and then fell to 11.48% in 2012. In the case of those aged 45+, employment in informal activities as a percentage of total employment in tribal areas comprised over 20% for the eleven year period. On the other hand, the employment of those aged 45+ as a percentage of total employment in rural areas varied over the eleven-year period but peaked at 88.82% in 2013 and was the lowest in 2014 at 12.98%.

Table 4.57. Age groupings of participants in informal activities (non-agricultural) in the Northern Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities (non-agricultural)				Total employed		% Employed: 20-44 & 45+			
	20-44		45+		Tribal	Rural	20-44		45+	
	Tribal	Rural	Tribal	Rural			Tribal	Rural	Tribal	Rural
2008	1 793	278	1 007	488	2 800	766	64.04	36.29	35.96	63.71
2009	2 424	1 846	1 227	115	3 651	1 961	66.39	94.14	33.61	5.86
2010	3 798	692	987	1 107	4 785	1 799	79.37	38.47	20.63	61.53
2011	2 907	764	852	278	3 759	1 042	77.33	73.32	22.67	26.68
2012	3 313	1 138	1 780	198	5 093	1 336	65.05	85.18	34.95	14.82
2013	2 926	1 196	1 597	162	4 523	1 358	64.69	88.07	35.31	11.93
2014	2 661	662	757	380	4 418	1 042	60.23	63.53	39.77	36.47
2015	5 764	1 860	380	424	6 144	2 284	93.82	81.44	6.18	18.56
2017	4 509	2 656	1 444	825	5 953	3 481	75.74	76.30	24.26	23.70
2018	2 200	440	2 051	366	4 251	806	51.75	54.59	48.25	45.41
2019	3 233	1 101	1 848	1 336	5 081	2 437	63.63	82.41	36.37	17.59
	Annual change									
2009	631 (35.19%)	1 568 (564.03%)	220 (21.85%)	-373 (-76.43%)	851(30.39%)	1 195(156.01%)	2.35	57.85	-2.35	-57.85
2010	1 374 (56.98%)	-1 154 (-62.51%)	-240 (-19.56%)	992 (862.60%)	1 134(31.06%)	-162(-8.26%)	12.98	-55.67	-12.98	55.67
2011	-891 (-23.46%)	72 (10.40%)	-135 (-13.68%)	-892 (-74.89%)	-1 026(-21.44%)	-757(-42.08%)	-2.04	34.85	2.04	-34.85
2012	406 (13.97%)	374 (48.95%)	928 (108.90%)	-80 (-28.78%)	1 334(35.49%)	294(28.21%)	-11.28	11.86	12.28	-11.86
2013	-387 (-11.68%)	58 (5.10%)	-183 (10.58%)	-36 (-18.18%)	-570(-11.19%)	22(1.65%)	-1.36	2.89	0.36	-2.89
2014	-265 (-9.06%)	-534(-44.65%)	-840(-52.60%)	218 (134.60%)	-105(-2.32%)	-316(-23.27%)	-4.46	-24.54	4.46	-63.53
2015	3 103 (116.81%)	1 198 (180.97%)	-377 (-49.80%)	44 (11.58%)	1 726(39.07%)	1 242(119.19%)	33.59	17.91	-33.59	-17.91
2017	-1 255 (-21.77%)	796 (42.80%)	1 064 (280%)	401 (94.58%)	-191(-3.11%)	1 197(52.41%)	-18.08	-5.14	18.08	5.14
2018	-2 309 (-51.21%)	-2 216 (-83.43%)	607 (42.04%)	-459 (-55.64%)	-1 702(-28.59%)	-2 675(-76.85%)	-23.99	-21.71	2.99	21.71
2019	1 033 (46.95%)	661 (150.23%)	-203 (-9.90%)	970 (265%)	830(19.52%)	1 631(202.36%)	11.88	27.82	-11.88	-27.82

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.57 shows that for the Northern Cape Province the number of those aged 20-44 employed in informal activities (non-agricultural) in the tribal areas increased from 1 793 in 2008 to 3 233 in 2019, which was an increase of 80% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the tribal areas increased from 1 007 in 2008 to 1 848 in 2019, amounting to 84% increase over the same period. For the rural areas, the number of those aged 20-44 increased from 278 in 2008 to 1 101 in 2019, a 296% increase over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas increased from 488 in 2008 to 1 336 in 2019, which indicates 174% increase over the period. It is clear that for informal activities in the rural areas, the percentage change in employment of those aged 45+ exceeded 100%.

Table 4.57 also shows the division in total employment in the informal sector activities (non-agricultural) for the age groupings for both tribal and rural areas. Informal activities (non-agricultural) comprised over 60% in the tribal areas for those aged 20-44 for most of the year except in 2015 where it increased to 93.82% whilst the figure for rural areas varied over the period and fell to 36.29% in 2008 but peaked at 94.14% in 2009. In the case of those aged 45+, employment in informal activities as a percentage of total employment in tribal areas comprised over 30% for most years except in 2017 where it fell to 6.18%. The employment of those aged 45+ as a percentage of total employment in rural areas varied over the eleven-year period but peaked at 63.71% in 2008 and was the lowest in 2013 at 11.93%.

Table 4.58. Age groupings of participants in informal activities (non-agricultural) in the Western Cape Province, 2008-2019 in thousands

Years	Number employed: informal activities (non-agricultural)		Total employed	% Employed	
	20-44	45-65		20-44	45+
2008	1 208	672	1 880	64.26	35.74
2009	1 463	0	1463	100	0
2010	1 146	988	2 134	53.70	46.30
2011	2 773	221	2 994	92.62	7.38
2012	904	1 309	2 213	40.85	59.15
2013	2 136	1 567	3 703	57.68	42.32
2014	1 938	451	2 389	81.12	18.88
2015	1 650	683	2 333	70.72	29.28
2017	2 883	1 056	3 939	73.19	26.81
2018	5 152	1 407	6 559	78.55	21.45
2019	2 877	934	3 811	75.49	24.51
	Annual Change				
2009	255 (21.11%)	-672 (-100%)	-417 (-22.18%)	35.74	-35.7
2010	-317 (-21.67%)	988 (100%)	671 (45.86%)	-46.30	46.30
2011	1 627 (141.80%)	-767 (-77.63%)	860 (40.30%)	38.92	-38.92
2012	-1 869 (-67.40%)	1 088 (492.30%)	-781 (-26.09%)	-51.77	51.77
2013	1 232 (136.30%)	258 (19.71%)	1 490 (67.33%)	16.83	-16.83
2014	-198 (-9.27%)	-1 116 (-71.22%)	-1 314 (-35.48%)	23.44	-23.44
2015	-288 (-14.86%)	232 (51.44%)	-56 (-2.34%)	-10.4	10.4
2017	1 233 (74.73%)	373 (54.61%)	1 606 (68.84%)	2.47	-2.47
2018	-2 269 (-78.70%)	351 (33.24%)	2 620 (66.51%)	5.36	-5.36
2019	-2 275 (-44.16%)	-473 (-33.62%)	-2 748 (-41.90%)	-3.06	3.06

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.58 shows that for the Western Cape Province, the number of those aged 20-44 employed in informal activities (non-agricultural) in the rural areas increased from 1 208 in 2008 to 2 877 in 2019, which is an increase of 138% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) in the rural areas increased from 672 in 2008 to 934 in 2019, amounting to 39% increase over the same period. It is clear that for informal activities in the rural areas, employment for those aged 20-44 exceeded 100% over the eleven-year period.

Table 4.58 further shows the division in total employment in the informal sector activities (non-agricultural) for the age groupings for the rural areas. Informal activities (non-agricultural) for those aged 20-44 was below 80% in the rural areas except in 2011 and 2014 where it comprised 92.62% and 81.12% respectively. For those aged 45+, employment in informal activities (non-agricultural) as a percentage of total employment in rural areas was below 50% for most years, except in 2012, where it rose to 59.15%.

Table 4.59. Age groupings of participants in informal activities (non-agricultural) in the four Provinces, 2008-2019 in thousands

Year	Limpopo		Eastern Cape		KwaZulu-Natal		North West		Total employment	% employed In Limpopo		% employed in Eastern Cape		% employed in KZN		% employed in North West	
	20-44	45+	20-44	45+	20-44	45+	20-44	45+		20-44	45+	20-44	45+	20-44	45+	20-44	45+
2008	77 228	56 909	78 154	42 295	116 492	55 179	32 779	14 235	473 271	16.32	12.02	16.51	8.94	24.61	11.66	6.93	3.01
2009	156 271	64 023	101 893	45 801	137 021	57 033	37 755	16 725	616 522	25.36	10.38	16.53	7.43	22.22	9.25	6.12	2.71
2010	167 882	76 564	89 847	48 009	123 945	62 330	37 357	14 291	620 225	27.07	12.34	14.48	7.74	19.98	10.05	6.02	2.30
2011	153 928	74 240	82 806	45 514	136 274	60 061	31 587	14 146	599 006	25.70	12.39	13.82	7.60	22.75	10.03	5.27	2.36
2012	176 084	89 044	197 788	36 069	120 422	53 229	35 861	19 205	727 702	24.20	12.24	27.18	4.96	16.55	7.31	4.93	2.64
2013	181 219	98 700	96 403	39 715	127 008	51 821	40 953	24 675	660 494	27.44	14.94	14.60	6.01	19.23	7.85	6.20	3.74
2014	201 474	92 675	84 284	38 999	139 761	72 017	43 724	19 041	691 975	28.87	13.39	12.19	5.64	20.22	10.42	6.33	2.73
2015	191 852	81 136	94 472	35 806	151 187	60 901	38 423	21 496	675 273	28.41	12.02	13.99	5.30	22.39	9.02	5.69	3.18
2017	198 903	112 860	90 853	50 509	132 977	70 118	45 464	28 586	730 270	27.24	15.45	12.44	6.92	18.21	9.60	6.23	3.91
2018	217 777	122 359	95 028	44 682	155 949	74 869	48 494	20 663	779 821	27.93	15.69	12.19	5.73	20	9.60	6.22	2.65
2019	199 328	118 397	91 091	43 756	129 982	80 544	43 504	18 036	724 638	27.51	16.34	12.57	6.04	17.94	11.12	6	2.49
	Annual Change																
2009	79 403	7 114	180 047	3 506	20 529	1 854	4 976	2 490	143 251	9.04	-1.64	0.02	-1.51	-2.39	-2.41	-0.81	-0.3
	102.35%	12.50%	230.37%	8.29%	17.62%	3.36%	15.18%	17.49%	30.27%)								
2010	11 611	12 541	-12 046	2 208	-13 076	5 297	-398	-2 434	3 703	1.71	1.96	-2.05	0.31	-2.24	0.8	-0.1	-0.41
	7.43%	19.59%	-11.82%	4.82%	-9.54%	9.29%	-1.05%	-14.55%	0.60%								
2011	-13 954	-2 324	-7 041	-2 495	12 329	-2 269	-5 770	-145	3 733	-1.37	0.05	-0.66	-0.14	2.77	-0.02	-0.75	0.06
	-8.31%	-3.04%	-7.84%	-5.20%	9.95%	-3.64%	-15.45%	-1.01%	0.61%								
2012	22 156	14 804	114 982	-9 445	-15 852	-6 832	4 274	-145	128 696	-1.5	-0.15	13.36	-2.64	-6.2	-2.72	-0.34	0.28
	14.39%	19.94%	138.86%	-20.75%	-11.59%	-11.38%	13.53%	-1.01%	21.48%								
2013	5 135	9 656	-101 385	3 646	6 586	-1 408	5 092	5 470	-67 208	3.24	2.7	-12.58	1.05	2.68	0.54	1.27	1.1
	2.92%	10.84%	-51.26%	10.11%	5.47%	-2.65%	14.20%	28.48%	-9.24%								
2014	20 255	-6 025	-12 119	-716	12 753	20 196	2 771	-5 634	31 481	1.43	-1.55	-2.41	-0.37	0.99	2.57	0.13	-1.01
	11.18%	-6.10%	-12.62%	-1.80%	10.04%	38.97%	6.77%	-22.83%	4.77%								
2015	-9 622	-11 539	10 188	-3 193	11 426	-11 116	-5 301	2 455	-16 702	-0.46	-1.37	1.8	-0.34	2.17	-1.4	-0.64	0.45
	-4.78%	-12.45%	12.09%	-8.19%	8.18%	-15.44%	-12.12%	12.89%	-2.41%								
2017	7 051	31 724	-3 619	14 703	-18 210	9 217	7 041	7 090	54 997	-1.17	3.43	-1.55	1.62	-4.18	0.58	0.54	0.73
	3.68%	39.10%	-3.83%	41.06%	-12.04%	15.13%	18.32%	32.98%	8.14%								
2018	18 874	9 499	4 175	-5 827	22 972	4 751	3 030	-7 923	49 551	0.69	0.24	-0.25	-1.19	1.79	0	-0.01	-1.26
	9.49%	8.42%	4.60%	-11.54%	17.28%	6.78%	6.66%	-27.72%	6.88%								
2019	-18 449	-3 962	-3 937	-926	-25 967	5 675	-4 990	-2 627	-55 183	-0.42	0.65	0.38	0.31	-2.06	1.52	-0.22	-0.16
	-8.47%	-3.24%	-4.14%	-2.07%	-16.65%	7.58%	-10.29%	-12.71%	-7.08%								

Source: Stats SA (2008-2019); Author's own formulation using data from Stats SA.

Table 4.59 shows that for the Limpopo Province, the number of those aged 20-44 employed in informal activities (non-agricultural) increased from 77 228 to 199 328, which was an increase of 158% over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) increased from 56 909 in 2008 to 118 397 in 2019, amounting to a 108% increase over the same period. This was followed by KwaZulu-Natal, where the number of those aged 20-44 employed in informal activities (non-agricultural) increased from 116 492 in 2008 to 129 982 in 2019, a 12% increase over the eleven-year period. At the same time, the number of those aged 45+ employed in informal activities (non-agricultural) increased from 55 179 in 2008 to 80 544 in 2019, amounting to 46% over the same period.

In the Eastern Cape, the number of those aged 20-44 employed in informal activities (non-agricultural) increased from 78 154 in 2008 to 91 091 in 2019 constituting 17% increase. On the other hand, the number of those aged 45+ employed in informal activities (non-agricultural) increased from 42 295 in 2008 to 43 756 in 2019, amounting to 3% over the period. Lastly, in the North West Province, the number of those aged 20-44 employed in informal activities (non-agricultural) increased from 32 779 in 2008 to 43 504 in 2019, which was an increase of 33% over the eleven year period. The number of those aged 45+ increased from 14 285 in 2008 to 18 036 in 2019 representing a 26% change over the same period.

Table 4.59 also shows the division in total employment between the age groupings in the informal sector activities (non-agricultural) for four Provinces. Employment in informal activities (non-agricultural) comprised over 20% for those aged 20-44 in the Limpopo Province over the eleven-year period except in 2008 where it fell to 16.32% whilst for those aged 45+ it comprised over 10% over the same period. In KwaZulu-Natal Province, employment for those aged 20-44 in informal activities (non-agricultural) varied below 25% over the period while employment for those aged 45+ varied below 12%. Similarly, employment in informal activities (non-agricultural) in the Eastern Cape Province for those aged 20-44 varied below 20% except in 2012 where it increased to 27.18% whilst employment for those aged 45+ varied below 10% over the period. In the North West Province, employment in informal activities (non-agricultural) for those aged 20-44 comprised 6% over the eleven year period except

in 2011 and 2012, where it comprised 5.27% and 4.93%, respectively, whilst for those aged 45+, it varied below 5% over the same period.

4.6. Conclusion

Rural areas were engulfed with many challenges that emanated from the adverse policy frameworks enacted in the apartheid era that sought to segregate black people to Bantustan homelands. The chapter not only covered the causes of rural poverty in the apartheid era, but also discovered that poverty is still rife even in the democratic era. To fend for themselves, rural inhabitants engaged in a range of rural non-farm activities that provided better employment and income prospects compared to subsistence riddled with many discriminatory policies of apartheid, as was shown from a range of journals. In fact, approximately 30 per cent of the white population owned about 80 per cent of arable farm land compared to 70 per cent of the black population that owned only 20 per cent in 1989.

Agriculture contributed less than informal activities for the majority of the black population during the apartheid era (May & Nattrass, 1986; Moll, 1988). This propelled many rural households to undertake rural non-farm activities to supplement income, which included handicraft, sale of crops, bricklaying, selling of food stuffs, selling of clothes and sewing, among others. Although there is scant data on income from rural non-farm activities, but in the year 1982 in Nhangwini Ward, Uzumbe District, selling of second hand clothes yielded the highest income of R300 followed by selling of food and fortune telling at R200 (Murphy, 1990). The study further found that in the post-apartheid era, agriculture's contribution remains low. As a result, rural non-farm activities are now prominent in South Africa and need more consideration from policy designers (Kirsten, 1995; Kirsten, 1996; Daniels *et al.*, 2013).

Rural non-farm activities depend on the dynamics and nature of every region in the country such as in 1996 in Melani Village, Eastern Cape Province constituting about 80% (Manona, 1999). Additionally, there were gender disparities in rural non-farm activities with men comprising only 6% compared to 34% of females in the Limpopo Province. In contrast, in the Eastern Cape Province men accounted for 14% in rural non-farm activities against only 3% of females in 2010 (Aphane *et al.*, 2010). On the

other hand, income earned from rural non-farm activities was optimal compared to income derived from farming. The study further found that income derived from rural non-farm activities in 1993 in rural South Africa was R974 per month compared to only R92 earned from farming (Carter & May, 1997). This nearly coincided with the R872 income earned from rural non-farm activities in Venda in 1995 (Lahiff, 1997). In contrast, in the rural areas of the Northern Cape Province in 2001, an income of R1 122 was earned from farming compared to R791 earned from rural non-farm activities (Makhura, 2001). Thus, there were varying results in terms of income derived from rural non-farm activities per area in each Province of South Africa.

Data on informal activities (non-agricultural) were collected from Statistics South Africa with reference to the Labour Market Dynamics Reports in South Africa for the period 2008-2019. Data were collected for all nine provinces, but with a special focus on the four Provinces with large proportions of rural settlements in the Limpopo, Eastern Cape, KwaZulu-Natal and North West Provinces. The study found that in the Limpopo Province, total employment in informal activities (non-agricultural) increased by 50 per cent over the eleven-year period. This was followed by KwaZulu-Natal Province despite increasing by only 3 per cent over the same period while total employment in the Eastern Cape Province decreased by 17 per cent. Lastly, total employment in informal activities (non-agricultural) in the North West Province decreased by 10% over the period.

There are characteristics that influence rural households to undertake informal activities (non-agricultural) including gender, education and age-group. The study found that in terms of gender composition in informal activities (non-agricultural) in all four Province, total employment of males dominated compared to employment of females over the eleven year period. Moreover, comparison was made in terms of education for the four Provinces, and it was found that many rural people employed in informal activities (non-agricultural) in the Limpopo Province acquired education followed by the KwaZulu-Natal Province, the Eastern Cape Province and lastly, the North West Province over the eleven year period. On the other hand, in terms of the age groupings of the people employed in informal activities (non-agricultural), total employment of those aged 20-44 in all the four Provinces was highest compared to the employment of those aged 45+ over the eleven year period. However, data on

rural non-farm activities remain scant and there is still no profiling of these activities to clearly understand their nature and dynamics so that effective policies are designed.

CHAPTER FIVE

FINDINGS, POLICY RECOMMENDATIONS, AND CONCLUSION

5.1. Introduction

Rural development initiatives in South Africa are customarily targeted to the agricultural sector for job creation and alleviation of poverty. However, subsistence agriculture remains undeveloped and it is unreliable for the provision of sufficient jobs. Income earned from subsistence agriculture therefore makes an inadequate contribution towards poverty reduction. As such, rural non-farm activities have emerged as viable avenues for poverty alleviation and income generation. Rural non-farm activities refer to the variety of activities undertaken by rural people that do not include agriculture for employment opportunities and income derivation. Although rural non-farm activities are often marginal in size their advantageousness lies in their diversity for multiple income streams (DPME, 2014).

As such, rural non-farm activities have been touted by many researchers as the means to address poverty and unemployment challenges face by the poor. There is an unfortunate lack of profiling of rural non-farm activities, which is imperative in designing policies that can address the specific challenges encountered by participants. STATSSA does have a record of informal activities (non-agricultural), which are similar to the rural non-farm activities. Even so, data on informal activities (non-agricultural) are insufficient to yield an in-depth understanding of the dynamics and nature of rural non-farm activities. Informal activities (non-agricultural) grew by 12 per cent during the period 2008-2019. This showed that more rural people preferred to engage in informal activities (non-agricultural) to fend for themselves. Informed hereby, the government ought to consider informal activities (non-agricultural) not only as survivalist activities, but as viable activities that can be developed to address poverty and unemployment challenges encountered by many rural citizens.

The main objective of the study was to examine the salient features of the rural non-farm sector in South Africa in terms of geographical locality, employment trends; gender, age and education characteristics therein, as well as recommend appropriate

policy options. This is because the belief that developing agriculture as a key strategy in creating jobs and alleviating poverty has not materialised for many rural people. Instead, informal activities (non-agricultural) offered avenues for employment and poverty reduction for many rural people. As a result, it is clear that the government ought to direct greater resources and efforts in profiling informal activities (non-agricultural) in order to design policies that are problem-specific. Many studies indicate that this will be beneficial to the poor as they have shown that income earned from informal activities (non-agricultural) is sufficient to allow rural households to sustain themselves.

The chapter is arranged as follows: Section 5.2 provides the summary of the findings of the study on rural non-farm activities during the apartheid era and the post-apartheid era. Section 5.3 discusses the summary of the findings on informal activities (non-agricultural) for the period 2008 to 2019. Section 5.4 highlights the policy options and recommendations to be considered for the growth of rural non-farm activities, followed by Section 5.5, which concludes the study.

5.2. Findings of the study

This section presents the summary of the findings on the contribution of rural non-farm activities in South Africa.

5.2.1 Summary of the findings on the contribution of rural non-farm activities in South Africa

5.2.1.1 Rural non-farm activities outcomes during the apartheid era

Rural poverty and inequalities in South Africa are a result of past racial segregation, which continues to pose a challenge for poor and vulnerable people (Sharp & Speigel, 1985). A coerced black labour force was denied political and social rights in South African society due to the practice of racial capitalism (Christie & Gordon, 1992). Consequently, South Africa's rural sector is divided into two distinct components: a commercially oriented, capital-intensive farming sector dominated largely by whites and a traditional, low-productivity agricultural sector controlled by blacks (Natrass,

1983; Mbongwa & Muller, 1992). Subsistence agriculture contributed a minuscule amount to household incomes propelling indigents to depend completely on earnings of exported labour, state pensions and civil servant salaries (Bekker *et al.*, 1992; Mbongwa & Muller, 1992).

Thus, during the apartheid era, many rural households depended on casual work and on self-employment, some were involved in producing goods for sale while others had temporary work (May, 1989). Rural households in South Africa engaged in a range of rural non-farm activities during the 1980s in addition to subsistence agriculture, but such activities provided income that was irregular and meager (Mpanza & Natrass, 1987). Since many rural non-farm activities were exclusively limited to the informal sector, they attracted many rural women because they required low capital costs and were able to be undertaken between daily chores (May, 1985). Women were often involved in sewing, knitting and crocheting, followed by making mats and handicrafts and selling second-hand clothes (Gandar & Bromberger, 1984).

5.2.1.2 Rural non-farm activities outcomes in terms of income during the apartheid era

May & Natrass (1986); Moll (1988) found that agriculture contributed less to the majority of rural households and were even lower than informal activities in 1984. However, there were many constraints during the apartheid era as these activities were not carried out on a regular basis and it was difficult to quantify how much was earned. Nonetheless, in Nhlanguwini, Kwazulu homeland, income was generated from rural non-farm activities such as sewing/knitting/crocheting, Zulu mats/handicrafts, second-hand clothes, selling food and fortune telling among other activities. Income derived from these activities ranged between R12 per month to R300 per month in 1982. These rural non-farm activities were carried out mainly by women to fend for their households as they depended less on remittances propelling them to engage in these performing profitable income-generating activities (Murphy, 1990).

5.2.1.3 Rural non-farm activities outcomes during the post-apartheid era

Even after the democratic dispensation in 1994, subsistence farming still remains precarious and is of small-scale activity and its contribution is also declining (Alemu, 2012; Neves & Du Toit, 2013; Black, 2016). As a result, many rural households chose to diversify and engage in a range of non-income and off-farm income activities (Oduniyi & Tekana, 2019). Others were engaged on trading, preparing food, and home-brewed beer in exchange for a portion of incomes earned largely elsewhere. Some drove private taxis, some were healers and herbalists, some made candles, shoes and whips for sale, or carted water from streams for sale in the subserviced villages. Temporary jobs included looking after children, doing laundry, plastering and working in the fields of others (Moll, 1994). Many rural households still prefer to diversify and engage in multiple productive activities including rural non-farm activities, self-employment, property income, and remittances, waged and own account, formal and informal (Neves & Du Toit, 2013; Black, 2016).

Rural non-farm activities contributed differently to employment depending on the region such as in Melani, Eastern Cape, constituting 83.05 per cent in 1995 (Manona, 1995). However, in another village in the Eastern Cape, agriculture dominated in terms of employment but was mainly carried out by men, just as it was the case in Limpopo (Aphane *et al.*, 2010). In the Capricorn District, Limpopo, agriculture accounted for a fairly substantial 50.87 per cent despite many rural households preferring to diversify into rural non-farm activities, which also contributed significantly at 49.13 per cent in 2018 (Maja & Oluwatayo, 2018). Even so, rural non-farm activities contribute significantly to many rural households as, in 2018, farmers were compelled to diversify in the North West into activities such as artisans, trading and hawking, paid labour and hunting and gathering in 2018 to augment their income (Oduniyi & Tekana, 2018).

5.2.1.4 Rural non-farm activities outcomes in terms of income in the post-apartheid era

Similarly, in the post-apartheid era, rural people obtained income from multiple sources and each livelihood strategy was categorised into wage and non-wage based activities. A wage activity is an employment opportunity outside of the family farm in a non-farm salaried capacity, or in an agricultural operation other than a family farm. Alternatively, non-wage activities include several types of self-employment such as owning a business (weaving, knitting, etcetera.) or selling farm products and services (MuCusker, 2002; Hendricks, 2002; Alemu, 2012). Income from rural non-farm activities depended on the nature and dynamics of every region in the country. Carter & May (1997) found that in rural South Africa in 1993, farming contributed 58.5 per cent to household income compared to rural non-farm activities at 41.5 per cent. However, in the rural areas of the Northern Cape rural people derived about 76.07 per cent of their income from rural non-farm activities compared to farming income at 23.93 per cent in 2001 (Makhura, 2001).

On the other hand, among the smallholder irrigation farmers in Limpopo, rural non-farm activities made a fairly low contribution to household income accounting for 21.8 per cent, which lagged behind farming income at 41 per cent in 2004 (Machete, 2004). There was a significant amount of marginal income generated from crops and wild natural resources at the Eastern Cape sites, especially among poorer households, and in particular female-headed households, which were more actively involved in growing home gardens and utilising forest products than male-headed households (Colfer, 2016). Rural non-farm activities accounted for 38.65 per cent, which was much higher than farming at 0.17 per cent in 2016. Very few households engaged in farming, which may have been due to the segregation policies that confined the majority of black people to non-arable lands. To sustain livelihoods, lower-income households engaged in a number of low-value activities while higher-income households specialised in a few high-value activities (Mishiet *al.*, 2016)

5.3. Summary of the findings on the contribution of informal activities (non-agricultural) in South Africa

In terms of total employment in South Africa, the study found that the number of rural people employed in informal activities (non-agricultural) slipped from 885 214 in 2008 to 810 962 in 2009, a decrease of 8 per cent. The total number employed in informal activities (non-agricultural) decreased slightly again from 810 962 in 2009 to 805 395 in 2010 representing a decrease of only 1 per cent. Total employment in informal activities (non-agricultural) further declined from 805 395 in 2010 to 766 263 in 2011, which was equivalent to 5 per cent decrease. Informal activities (non-agricultural) then showed a significant increase from 766 263 in 2011 to 813 103 in 2012 constituting 6 per cent increase. In total, employment in informal activities (non-agricultural) increased from 813 103 in 2012 to 864 492 in 2014, rising by 6 per cent. The number employed in informal activities (non-agricultural) decreased slightly by 2% from 864 492 in 2014 to 845 595 in 2015. Total employment in informal activities (non-agricultural) gained some momentum from 2015 to 2017, increasing from 845 595 to 963 761 over the two years amounting to 14 per cent increase. Subsequently, informal activities (non-agricultural) increased from 963 761 in 2017 to 1 000 548 in 2018, which was equivalent to 4 per cent increase but then slipped back slightly to 989 542 in 2019, a decrease of just 1 per cent. Overall, informal activities (non-agricultural) showed significance increasing from 885 214 in 2008 to 989 542 in 2019 constituting 12 per cent increase over the eleven year period.

The contribution of rural non-farm activities cannot be accurately measured due to the lack of in-depth studies. Nonetheless, data on informal activities covered in the Labour Market Dynamics Reports were sourced for all nine provinces but with predominant focus on the four Provinces where a large proportion of rural settlements are located in the former homeland areas such as in the Limpopo, Eastern Cape, North West and KwaZulu-Natal Provinces. The areas covered in the study were traditional/tribal areas and rural formal/farms for the period 2008-2019.

The study found that informal activities (non-agricultural) contributed meaningfully to employment in the tribal areas. For the Limpopo Province, the number of people

employed in informal activities (non-agricultural) in the tribal areas increased from 212 970 in 2008 to 315 897 in 2019, an increase of 48 per cent over the eleven year period. Informal activities (non-agricultural) in the KwaZulu-Natal Province also played a significant role despite decreasing by 1% from 231 764 in 2008 to 230 562 in 2019. For the Eastern Cape Province, the informal activities (non-agricultural) in the tribal areas fell from 163 829 in 2008 to 134 409 in 2019, which was a decrease of 18 per cent. The number of people employed in informal activities (non-agricultural) in the North West Province in the tribal areas was marginal compared to the other Provinces. Informal activities (agricultural) in the tribal areas of the North West Province showed a slight decrease from 58 385 in 2008 to 56 084 in 2019, which is a change of 4 per cent over the eleven year period.

For the rural formal areas, informal activities (non-agricultural) were minimal, in the KwaZulu-Natal Province, the number of people employed in informal activities (non-agricultural), dropped significantly from 18 703 in 2008 to 10 156 in 2019 amounting to a 46 per cent decrease over the eleven year period. For the Limpopo Province, the number of people employed in informal activities (non-agricultural) in the rural areas increased sharply by 154% from 2 574 in 2008 to 6 541 in 2019. Surprisingly, this was followed by the North West Province, despite the number of people employed in informal activities (non-agricultural) in the rural areas decreasing from 10 709 in 2008 to 6 238 in 2019, which is a decrease of 42 per cent. The number of people employed in informal activities (non-agricultural) in the rural areas in the Eastern Cape Province was marginal despite increasing from 2 230 in 2008 to 3 649 in 2019, amounting to a 64 per cent increase over the same period.

The study found nuanced results on informal activities (non-agricultural) per Province for the period 2008-2019. For the Limpopo Province, total employment increased from 215 544 in 2008 to 322 438 in 2019, which was equivalent to 50 per cent over the eleven year period. Informal activities (non-agricultural) showed significance in the KwaZulu-Natal Province, total employment slightly increased from 241 920 in 2008 to 249 265 in 2019, an increase of 3 per cent. Similarly, informal activities (non-agricultural) in the Mpumalanga Province increased from 154 027 in 2008 to 173 477 in 2019 constituting 13 per cent over the same period. Informal activities (non-agricultural) further contributed positively to the people in the Eastern Cape Province

despite decreasing from 166 059 in 2008 to 138 058 in 2019, reflecting a decrease of 17 per cent over the period. However, informal activities (non-agricultural) were marginal in the North West Province, total employment decreased from 69 094 in 2008 to 62 322 in 2019 amounting to 10 per cent.

For the Free State Province, total employment in informal activities (non-agricultural) declined by 4% from 17 082 in 2008 to 16 369 in 2019. Informal activities (non-agricultural) were also marginal in the Gauteng Province, as total employment only increased from 13 661 in 2008 to 16 287 in 2019 reflecting an increase of 19 per cent over the eleven year period. For the Northern Cape Province, total employment in informal activities (non-agricultural) increased by only 34 per cent over the same period from 5 597 in 2008 to 7 515 in 2019. Informal activities (non-agricultural) in the Western Cape Province showed little significance, total employment increase from 2 230 in 2008 to 3 811 in 2019, an increase of 34 per cent.

5.4. Policy options and recommendations

One objectives of the study was to provide policy recommendations that are pivotal in harnessing the growth of the rural non-farm sector. To achieve this, there has to a standardised profiling of the rural livelihoods to generate sufficient knowledge behind livelihood diversification. The aim is to provide guidance to the strategic developmental policies often earmarked at alleviating rural poverty and allowing rural households to cope in distress and shocks. Although the systematic livelihood approach (SLA) helps in understanding livelihood diversification, it quite often provides recommendations that are not cohesive. In most cases, these recommendations are typically rebuffed by the decision-makers, adopting more mainstream globalised economical methodologies that are easier to understand and implement (Ragie, 2016).

Fourie (2018) stipulates that the scale of the constraints on informal sector employment both on-and off-farm defies any easy remediation, but the following points that support more inclusive forms of rural growth can be suggested:

- The necessity of understanding the limitations on the rural non-farm economy. Informal sector employment is particularly small and marginal. Hence, supporting

or growing it is subject to considerable constraint. These include the extractive and crowding out effects of a concentrated urban-biased formal economy and the local economies' multipliers and disconnection from prevailing systems of production. Understanding the scale and nature of these limitations is a prerequisite in beginning to address them (SALGA, 2018).

- It is imperative to focus efforts on supporting rural non-farm employment because in doing so, at least partially entails tempering the indifference that sometimes characterises the state's response to the informal sector. For instance, the size and prevalence of existing informal markets suggest that many could benefit from the provision of basic infrastructure such as, vending sites, storage and basic utilities), which needs to be facilitated by the local government (SALGA, 2018).
- It is important not to conflate rural employment with agricultural employment, particularly because rural areas face declining agricultural employment. It is also important to understand that rural economies do not depend exclusively on the agricultural sector but there are other rural informal sector non-agricultural activities. As such, the policy objective would be to harness the growth of activities that are able to absorb the labour force and can allow the poor to meet their daily needs, some of which may involve agriculture (Oxfarm, 2017). Where alternative place-based attributes exist, such as natural resource endowments, tourist potential and proximity to urban centres, they provide important potential for policy intervention. Policy efforts also need to be attentive to the extent to which the rural non-farm economy is intertwined with the larger South African economy and distributional regime, including redistributive systems of the state welfare. After all, across the world policy support to rural areas ranging from agricultural subsidies and incentives for agriculture and other rural sectors to rural industrialisation is frequently underpinned by government transfers as an imperative of natural development. South Africa's rural non-farm economy may warrant support for much the same the reason.
- Within agriculture, it is small-scale agriculture that is likely to benefit informal employment in the rural non-farm economy. Although rural informal sector employment ought not to be conflated with agriculture, it is small-scale agriculture that can potentially contribute to it. International evidence suggests that small-scale farming is not only more labour- intensive, it also operates at a scale and degree

of informality conducive to procuring input and marketing outputs locally. However, to do this, small-scale farms need access to basic agricultural support and ought to be the key beneficiaries of South Africa's efforts at land reform. Their size is the key factor which suggests that simply transforming the racial composition of current day commercial farmers is unlikely to alter prevailing patterns or the prospects of rural employment.

- There is a need to foster greater economic inclusiveness in the local agro-food retail sector. Greater degree of local inclusiveness in food retail is likely to enlarge multipliers and encourage employment in the rural non-farm economy. Potential policy levers to achieve this include incentives, for example government spending on institutional and school feeding, along with the regulation and conditions to ensure a greater local retail sector. This would serve to counter the rapid expropriation of profit and the dearth of multipliers associated with the large metropolitan-based corporate supermarket chains.

The National Planning Commission (2012) envisions better integration of rural areas of the country through the successful implementation of agrarian reforms, infrastructure development, job creation and poverty reduction. Irrigated agriculture will drive this expansion and perhaps dry-land agriculture as well. Human capital will be developed in areas with low economic potential by providing quality education, healthcare, basic services and social security. Non-agricultural activities such as agro-industry, tourism, small businesses and fishing can contribute to the development of areas with economic potential. It is necessary to develop agriculture in hometowns, improve land management, develop infrastructure, and provide targeted assistance to rural women.

NDP recommendations for expanding non-agricultural activities in rural areas included:

- As part of an economic cooperation strategy, provide poor producers with greater collective market power and better access to information in value chains so that they can meet the minimum supply required to participate and negotiate better terms of participation.

- Support smallholder development by fostering partnerships along the agro-processing value chain.
- Develop strategic alliances between supermarkets and local producers in rural areas.
- Promote niche markets to benefit smaller producers by developing and incentivising them.
- Assign economically feasible fishing rights and review fisheries' policies to maximise employment by allocating rights accordingly.

The NDP (2012) states that to uplift the poor, the rural strategy still focuses on the provision of transportation and employment opportunities for rural citizens to move to the cities, where services and employment are normally more readily available. One way to achieve this is by improving human capital of rural residents to be marketable in the cities. However, economic growth has been strong in rural South Africa, as in the country, particularly in sectors such as retail, transport and construction, where increased government subsidies have widened the circulation of the local currency. These successes need to be embraced and new opportunities explored, rather than focusing on permanent investments in settlements, which may not be sustainable without continued financial support. This means that interventions supporting rural development should be sensitively attuned to the varied conditions of development found within rural South Africa. There will be certain policies that are appropriate for multi-person firms while other policies may be useful for one-person firms that are not particularly growth oriented (Fourie, 2018). A spatial vision for rural areas should also include the following principles and elements:

- Mobile services, roads, renewable energy, and ICT are among the innovative means of providing services and infrastructure in rural areas.
- The establishment of strong management and governmental systems, for instance, the implementation of a land reform programme that targets agricultural land and market access in the most viable areas of the country.
- Prioritise the development of rural enterprises and infrastructure needed to support rural non-farm activities such as tourism and mining in areas with proven economic potential.

- Assisting good governance, enterprise, and youth development as soft infrastructure for rural development.
- Enhance the role of small towns in rural areas in job creation.
- Build local rural economies and reduce risks to national food security through targeted investments in food production centres and systems at local and regional levels.
- Green economies should be developed in rural areas.

The development of skills and capacities of rural women entrepreneurs with access to land and finance, as well as the empowerment of agricultural workers, should receive particular attention. The ability of institutions to resolve conflicting relationships between traditional and constitutional institutions is critical to success, especially when resolving conflicts between them (NDP, 2012). However, policy implications and other factors that prohibit the development of rural non-farm activities seem to be poorly understood particularly by government. In designing policies aimed at supporting rural non-farm activities, the government does not seem to consider issues related to protection from risk, balancing between spending and saving at different times, efficient capital and labour allocation, inefficient allocation of credit, and coping with shocks (Oxfam, 2017).

The transformation of rural areas and the creation of sustainable rural livelihood largely depend on building strong rural and urban linkages, capacitating rural institutions and providing infrastructure that will support economic activities and continuous monitoring and evaluation of the effectiveness of the interventions. However, the current government policy on rural development is based on an agriculture-led development strategy. This basic assumption that providing land would enable rural citizens to generate income from land-based livelihood strategies is justified but at the same time, it falls to take into account the complexities involved in land-based livelihoods. Land restitution is inadequate as a central strategy to enable rural transformation, encourage rural non-farm activities and alternative rural poverty (Oxfam, 2017).

Government action targeted towards rural non-farm activities has been inadequate as it has operated under the assumption that most rural citizens are displaced urban

citizens who rely mostly on urban derived income. A lack of resources and skills has negatively impacted rural transformation. For example, the lack of education hinders the prospect of employment and improving livelihoods. Business and Private Entities, in collaboration with government, should capacitate communities with various skills (entrepreneurial or technical) and knowledge that will support the development of rural livelihoods and in turn result in vibrant rural economies (Oxfam, 2017). Fourie (2018) stipulates that policy and regulations need to take into account intervention areas for policy documents such as:

- Affordability and accessibility of financial services;
- Developing skills;
- Facilities and premises of the business;
- The provision of basic utility services (water, electricity, internet);
- Security and crime;
- Procurement and market access;
- Access to government support services; and
- Requirements for permits and licenses, and harassment by law enforcement or local authorities

SALGA (2018) stipulates that the local government can usefully improve skills of informal workers in terms of basic literacy and numeracy training as well as business training through the national Sector Education and Training Authority (SETA) initiatives and Adult Basic Education and Training (ABET). The starting point should be for the Municipalities to recognise informal work as normal activities that are fundamentally productive and as important survivalist economic activities that must be supported. It is important to consider the following interventions in order to maximize the benefits of the informal economy as a source of job creation, wealth distribution, and poverty alleviation:

- Developing internal capacity and knowledge to engage with the sector,
- The provision of high-quality urban management services,
- Place-marketing,
- Strategic plans for the space economy that ensure competitiveness,

- A citywide and local level plan must cater to informal economic development within the context of neighborhood and inner city needs.

5.5. Conclusion

Informal activities (non-agricultural) have shown significant contribution to employment in the four Provinces where a large proportion of rural settlements are located such as the Limpopo Province, Eastern Cape Province, KwaZulu-Natal Province and the North West Province. Having more rural people partake in informal activities (non-agricultural) may be strategic in alleviating poverty challenges faced in many rural areas. This is so because informal activities (non-agricultural) have been shown by many studies to provide incomes far better than incomes from agriculture. Moreover, informal activities (non-agricultural) also contributed meaningfully across the whole of South Africa offering better avenues compared to the agricultural sector. In fact, informal activities (non-agricultural) are more advantageous because rural people are able to derive income from multiple streams of activities. However, informal activities (non-agricultural) played a less significant role in the Western Cape Province and the Northern Cape Province, the total number employed remained less than 10 000 throughout the period 2008-2019.

Despite these advantages, informal activities (non-agricultural) in the country remain marginal and snubbed by the government as the means to eradicate poverty and assist in curbing unemployment. A part of the strategies touted by government is agricultural development achieved through land reform. However, many studies have shown that land reform has not achieved its intended objectives and subsistence agriculture remains underdeveloped. As such, the government ought to formulate policies that are tailored to harness the growth of informal activities (non-agricultural). However, in order to unlock the true potential of informal activities (non-agricultural), an in-depth profiling covering the type of activity, size, level of income, related factors that influence participation and understanding the challenges faced by the sector may be crucial in designing policies that are problem-specific. Policies earmarked to grow informal activities (non-agricultural) should involve consultative processes to factor the dynamics and nature of every region in the country.

More emphasis should be placed on capacitating rural people with relevant skills to be able to grow and become innovators and producers as opposed to the simple trading of goods. The offered critical skills should be designated to help participants to sustain their operations, become independent, acquire pertinent resources and become financially stable. Subsequently, subsidies should be provided to the participants to be able to acquire resources and have financial stance. In addition, tailored credit packages should be provided to rural people and any locally produced goods should be developed and marketed.

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