

The Role of Capital Assets and Institutions in the Success and Failure of Smallholder Irrigation Schemes in South Africa

B. Muchara^{1*}, B. Letty², A. Obi³, P. Masika⁴, G. Ortmann¹, E. Wale¹ and M. Mudhara¹

¹*University of KwaZulu-Natal, P/Bag X01, Scottsville, 3209, South Africa*

²*Institute of Natural Resources NPC, PO Box 100396, Scottsville, 3209, South Africa*

^{3,4}*University of Fort Hare, P/Bag X1314, Alice, 5700, South Africa*

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ABSTRACT Production among smallholder irrigation farmers in South Africa is low, and is negatively influenced by a wide range of factors. This paper documents the findings of a study of two smallholder irrigation schemes in South Africa, by applying the sustainable livelihoods framework to identify factors affecting their performance. The two schemes, namely the Foundation Community Project and the Mooi River Irrigation Scheme were examined in terms of the five basic forms of capital assets (natural, financial, physical, human and social) to understand their impact on performance. The results show that poor coordination of government funded activities negatively affects smallholder performance, through poor provision of public infrastructure like roads and physical assets like tractors. Smallholder farmers lack irrigation specific skills like scheduling and irrigation maintenance, hence poor productivity and poor irrigation infrastructure condition. Financial capital was also identified as a constraint among smallholder irrigators. Although farmers capitalise on the existing social capital that enable borrowing of small amounts of unsecured funds from relatives and neighbours to fund irrigation activities, informal sources of income did not provide adequate financial resources to boost production and marketing activities. To ensure successful management of smallholder irrigation schemes, specific training to enhance knowledge and information building among smallholder farmers as complementary assets to improve the functioning of other capital assets is recommended.