

7. THE LAND REDISTRIBUTION PROGRAMME

“It is not only anti-people, but criminal for any government to ignore the acute land-hunger in the country, especially when it is realised that 83% of the population live in the rural areas and depend on agriculture for their livelihoods. We can never have peace in this country unless the peasant population is satisfied in relation to the land issue”. – President Robert Mugabe, 1980.¹

Introduction

This chapter is a comparative analysis – drawing on local and more than 15 international case studies, particularly Zimbabwe – of the Redistribution Programme and the subsequent Land Reform for Agricultural Development Programme in South Africa. Two of the local case studies derive from my fieldwork in Mpumalanga – Sheba and Solane (see Appendixes one to five and chapter one). The analysis is further informed by the interviews I conducted with activists, and current and former employees of the Departments of Agriculture and Land Affairs – including a telling interview with the former Minister of Land Affairs.

The period covered in this chapter is from 1994 to approximately December 2002, although the emphasis of the comparative aspect is on the Redistribution Programme (i.e. 1994 to 1999).

Section one is an exposition of the South African Redistribution Programme. This includes a detailed discussion of the Settlement/Land Acquisition Grant and related procedures. Section two provides redistribution figures from a range of countries, including South Africa, in order to inform a comparative analysis of the pace and scope of land redistribution in South Africa. Countries include Zimbabwe, Brazil, Cuba, Chile, China, Japan, Mexico, Namibia, Kenya, Peru and Egypt. Section three is a discussion of the problems that emerged from the Redistribution Programme and, which ultimately resulted in the development of the Land Redistribution for Agricultural Development Programme. Section four then, is an exposition of the Land Reform for Agricultural Development Programme, with emphasis on the process. Section five is a discussion of problems particular to the Land Redistribution for Agricultural Development Programme. Section six is a discussion of problems relevant to both programmes (or to redistribution in general). Section seven is a brief inquiry into land redistribution options used internationally but that were not used in South Africa.

1. The South African Redistribution Programme

According to the 1997 White Paper on South African Land Reform, the stated purpose of the Redistribution Programme is to provide the poor (defined as urban and rural poor, farm workers, labour tenants, marginalised groups, women and emergent farmers) with “residential and agricultural land in order to improve livelihoods”.

¹ By 1979, the population pressure in Zimbabwe’s reserves exceeded the carrying capacity by two million.

The Redistribution Programme is based on market principles (with some state assistance). The Settlement/Land Acquisition Grant (SLAG) was therefore introduced to the value of R15 000 (later increased to R16 000) to a single household for purchasing land from a “willing-seller”. Other grants applicable to the Redistribution Programme include the Grant for the Acquisition of Land for Municipal Commonage, the Settlement Planning Grant and the Grant for Determining Land Development Objectives. The latter would provide resources to poor local authorities to enlist the services of land reform and project development planners. The Settlement Planning Grant would be used to enlist the services of planners and other professionals to assist applicants in preparing project and settlement plans. Land prices would be “fair” and market related, defined as “a price comparable with recent sales in the locality” and “endorsed by an independent valuator and/or the Land and Agriculture Bank”.

In terms of land price evaluation, the government’s role would be “facilitative”. Priority would be given to “viable and sustainable” projects that “can be implemented quickly and effectively”. Attempts to ensure a geographical spread of projects, a variety of project types, different beneficiary sectors, different land uses and different tenure arrangements would influence project selection. Concerning urban land, the Department of Land Affairs’ (DLA) responsibility is limited to the provision of land and secure tenure. Furthermore, the government would not “*give priority or heed land invaders but will prioritise work with organised groups of landless people*”.²

The broad aims of the Redistribution Programme include bringing about a more equitable distribution of land to contribute to national reconciliation and political stability, to substantially reduce land-related conflicts and to help solve the problem of landlessness. Other aims include the improvement of settlement conditions in rural and urban areas and to enhance household income security, employment and economic growth throughout the country.³ Legislation enacted to facilitate the Redistribution Programme included the Provision of Certain land for Settlement Act 126 of 1993 (renamed in 1998) and the Development Facilitation Act 67 of 1995, which introduced measures to speed up land development, especially the provision of serviced land for low-income housing.

After extensive debate, and largely because of pressure from the former minister of Agriculture and Land Affairs, Derek Hanekom⁴, the government’s right to expropriate land was included in the Redistribution section of the 1997 White Paper. According to the White Paper, “*Expropriation will be used as an instrument of last resort where urgent land needs cannot be met, for various reasons, through voluntary market transactions*”.⁵ To date, this method (which created space for a more supply-led land redistribution

² All discussed in the Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997, p. 38 - 48

³ Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997

⁴ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

⁵ Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997, p. 39

programme) has not been used.⁶ It was clear, early on, that the state would not be a major player in the land market but, would rather, act as a facilitator in a “demand-driven” and “market-based” redistribution programme. These policy fundamentals resulted in an extremely slow land redistribution programme. This slowness is also linked to the state’s inability to subdivide land and its apparent unwillingness to acquire and distribute land to potential beneficiaries.⁷

1.1. The Settlement/Land Acquisition Grant

Turner and Ibsen⁸ identify two constitutive features of the Redistribution Programme. The first constitutive feature of the Redistribution Programme is that it would be demand, rather than supply-driven. In other words, rather than being a structured, planned, spatially systematic programme of government land expropriation and transfer to beneficiaries, redistribution would be based on individual, spatially scattered transactions between willing-buyers and willing-sellers, facilitated and financially supported by the Department of Land Affairs. According to the White Paper, this approach is necessitated by the fact that the government has to “*find a way to balance the redistribution of land to the needy*” with the maintenance of “*public confidence in the market*”.⁹

The second constitutive feature identified by Turner and Ibsen,¹⁰ is the programme’s emphasis on alleviating poverty. In other words, although the Redistribution programme was meant to generate rural economic growth, the programme was more orientated towards poverty alleviation than towards stimulating agricultural productivity. In line with this feature, the White Paper argued that the poor would not be able to access land at market prices and would, therefore, require state assistance in the form of government grants. The White Paper argues that “*grants should be modest so that as many eligible people as possible benefit*” but, that the grants should be sufficient to improve “*quality of life and household incomes*”. The calculation of grants had to occur within the context of “*limited financial resources and increasing competition between different budgetary priorities*”.¹¹ Similarly, the Settlement/Land Acquisition Grant (SLAG) was not intended to “*provide the resources for a person to enter the commercial farming sector*”.¹²

The Settlement/Land Acquisition Grant (SLAG) was the main source of direct state financial assistance to beneficiaries of the land Redistribution Programme. The R15 000 grant per household (increased to R16 000 in 2000) could be used to finance land purchase (or equity in a farm business), infrastructure, fixed and moveable assets, transaction costs, home improvements and enhancement of tenure rights. Households

⁶ There has been one attempt at expropriation – see Chapter 6 on Restitution for an account of the Pretorius expropriation saga.

⁷ See the discussion on the Subdivision of Agricultural Land Act in this chapter (section 6.3.1)

⁸ Turner S & Ibsen H, “Land and agrarian reform in South Africa: A Status Report”, Occasional Paper Series, PLAAS, UWC, November, 2000, p.14

⁹ Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997, p.17

¹⁰ Turner S & Ibsen H, “Land and agrarian reform in South Africa: A Status Report”, Occasional Paper Series, PLAAS, UWC, November, 2000, p.14

¹¹ Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997, p. 18

¹² Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997, p. 19

earning a combined maximum income of R1 500 per month could apply for the grant either as an individual household or as part of a group of households (where average household income is not more than R1 500 per month). Further criteria for qualification include South African citizenship, legal competence to contract and having derived no benefits from the housing subsidy scheme or any other state funded or assisted housing subsidy.¹³ Legislation relevant to the SLAG include the Provision of Certain Land for Settlement Act 126 of 1993, the Development Facilitation Act 67 of 1995, the State Land Disposal Act 48 of 1961 and the Communal Property Associations Act 28 of 1996.

The Settlement/Land Acquisition Grant's procedures were overwhelmingly bureaucratic and, consequently, remarkably slow. Lyne¹⁴ describes the procedure in detail. As a first step, individuals or groups send their applications to the DLA. The DLA would then prepare a Project Identification Report. The Report had to,

- (a) identify the approximate number of beneficiaries,
- (b) define the land in question and gauge its potential,
- (c) provide background information about the applicants, their application, institutional arrangement and vision for the future,
- (d) consider key stakeholders,
- (e) estimate a budget and schedule for the proposed project and
- (f) present the DLA's assessment of the proposal.

Once completed, the Project Identification Report would be sent to a sub-regional and two regional committees. From there, the application would proceed to the DLA's Provincial Project Planning Approval Committee. Once this Committee approved of the Project Identification Report, funds (constituting 9% of the total grant) would be paid to the DLA to be used in pre-planning. Pre-planning required a business plan detailing land valuation, the terms and conditions of sale, development goals, plans for conflict resolution and stipulations as to how the grant as well as potential income would be shared in cases of group applications. For the actual transfer of land and funds to take place, applicants had to form a legal entity, with a formal constitution stipulating the rights and responsibilities of members, a business plan as well as a management team - taking on average six months. If the Project Business Plan was accepted by the regional committees and, thereafter, by the Provincial Project Planning Approval Committee, the land in question could be designated under the Provision of Certain Land for Settlement Act. A portion of the grant would then be released for direct payment to the seller and the remaining money could be used to engage consultants.

2. The South African Land Redistribution Programme: Figures

The first four years of the land Redistribution Programme were incredibly slow. The policy formulation process and the context of the government of National Unity (as discussed in chapter 5) can, in part, explain this slow process. By 2001, the Department

¹³ Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997, p. 69 -73

¹⁴ The whole paragraph from and based on Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

of Land Affairs had distributed less than one percent of South Africa's agricultural land, compared to Zimbabwe's 15% in a similar time period. The Land Redistribution Programme had clearly not come close to the 30% goal of the Reconstruction and Development Programme.

Figures indicate that it was only in 1998, that the Redistribution Programme became more efficient and started picking up speed. As indicated by the figures presented in Table C below, more people received land in 1998 than in the previous three years combined. The figures also indicate a consistently growing curve in the number of projects settled. Nevertheless, the National Land Committee estimated, that at the above redistribution rate, it would take the South African government 45 years to distribute 15% of agricultural land¹⁵ and 125 years to redistribute 30% of agricultural land.¹⁶ Furthermore, many of the completed projects were apparently unsustainable and were not contributing to increased household incomes or food security. By 1999, the Department of Land Affairs was publicly admitting that large-scale projects (referred to as Derek's dumping grounds by the media) were largely unsuccessful and that future policy implementation would emphasise smaller-scale resettlement schemes.¹⁷

The implementation rate, and sustainability, of redistribution projects has subsequently improved. By 2000, the Department of Land Affairs' Quality of Life Survey argued that, the performance and impact of the redistribution programme had improved significantly and that many beneficiaries were engaging in income generating agricultural production. The survey found that service delivery to land redistribution beneficiaries was better than to rural people on a whole, and that institutional problems with legal entities like Communal Property Associations¹⁸ were starting to be ironed out.¹⁹

The South African redistribution programme does not compare favourably to redistribution programmes elsewhere. South Africa redistributed significantly less land than the Zimbabwe and Brazilian programmes did. Yet, in both these countries, insufficient land reform resulted in rural violence and land invasions. South Africa also fared worse than Cuba, Chile, China, Japan and Mexico.

South African redistribution figures are similar to those achieved in Peru and Egypt (given the extended time period), and compare favourably to redistribution figures in Namibia and Kenya. However, land distribution in South Africa is more inequitable than in any of the countries mentioned above. Given this inequity in land access, South Africa needs to redistribute land at a faster pace, if land invasions and violence are to be avoided²⁰.

¹⁵ NLC, "Land Redistribution Media Fact Sheet, not dated

¹⁶ *Beeld*, July 10, 2001

¹⁷ Cook L, "Farm Settlement scheme reviewed", *Business Day*, January 15, 1999

¹⁸ See section 3.3 of this chapter for more detail on Communal Property Associations.

¹⁹ Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 20

²⁰ See chapter eleven for more on the relationship between the pace of land reform and violence and/or social mobilisation.

It is necessary to keep in mind that the redistribution figures (listed in the table) are not an accurate account of the amount of land transferred, nor do these figures reflect the actual achievements of the Department of Land Affairs. For example, one redistribution project may include 50 000 beneficiaries and, the number of beneficiaries served by the restitution and tenure programmes are not included in these figures.

Table C: Comparative Land Redistribution Figures

Country	Date	No. of years	No. of beneficiaries	No. of households	No. of projects	Total hectares distributed
Mexico ²¹	1928	11				4% of agricultural land
Mexico ²²	1940	5				19 million
Japan ²³	1950	4				35% of cultivated land
China ²⁴	1955	7	300 million			47 million
Chile ²⁵	1967	3				1 million +
Mexico	1967 – 1977					3.1 million per year
Mexico ²⁶	1977 – 1988					0.8 million per year
Peru ²⁷	1970	10				8% of agricultural land
Chile ²⁸	1970	3		25 000		
Egypt ²⁹	1980	28		353 286		356 112 (13.9% of cultivated land)
Kenya ³⁰	1982	20		64 000		670 000
Cuba ³¹	1985	26				89% of agricultural land

²¹ Hodges D & Grandy R, "Soldier, Priest & Landlord", Mexico 1910-1976: Reform or Revolution, Zed Press, London, 1979

²² Cline F.H, "Agrarianism: A Basic Revolutionary Goal", Mexico: Revolution to Evolution 1940 -1960, Oxford University Press, London, 1962

²³ Zhou J, A New Proposal for Land Consolidation & Expansion in Japan & Other Economies, European University Institute, Italy, October 1997

²⁴ El-Ghonemy M.R, "China", The Political Economy of Rural Poverty, Routledge, London, 1990

²⁵ Jarvis L.S, "The unravelling of Chile's Agrarian Reform 1973 – 1986", Searching for Agrarian Reform in Latin America, Thiesenhusen W.C (Ed.), Unwin Hyman, London, 1989

²⁶ Both from Heath J.R, "Evaluating the Impact of Mexico's Land Reform on Agricultural Productivity", World Development, Vol.20, No.5 1992

²⁷ Lastarria-Cornhiels, "Agrarian Reforms of the 1960s & '70s in Peru", Searching for Agrarian Reform in Latin America, Thiesenhusen W.C (Ed.), Unwin Hyman, London, 1989

²⁸ Brown M.R, "Radical Reform in Chile 1964-1973", Searching for Agrarian Reform in Latin America,

²⁹ El-Ghonemy M.R, "Egypt", The Political Economy of Rural Poverty, Routledge, London, 1990

³⁰ Francis E & Williams G, "The Land Question", Canadian Journal of Modern African Studies, Vol.27, No.3, 1993

³¹ El-Ghonemy M.R, "Cuba", The Political Economy of Rural Poverty, Routledge, London, 1990

Ecuador ³²	1985	20		99 673		8% of agricultural land
Zimbabwe ³³	Dec. 1986	5				2 million (15% of agricultural land)
Brazil ³⁴	1989	4		83 625		4.71 million
Zimbabwe ³⁵	1990	10		51 000		Almost 3 million
Brazil ³⁶	1994	2		2 000		additional 1.2 million
Brazil ³⁷	1997	2		additional 280 000		16 million
Zimbabwe ³⁸	1997			70 000		3.5 million
South Africa ³⁹	March 1998	4		23 209		216 051
South Africa ⁴⁰	June 1998	4	250 000		279	
South Africa	April 1999	5	300 000			
South Africa	Nov. 1999	5	360 256	55 424	447	714 407
South Africa ⁴¹	April 2000	6				0.81% of the 32 million hectares of agricultural land
South Africa ⁴²	Nov. 2000	6		55 383	484	780 407
South Africa ⁴³	August 2001	7				1 million

³² Zevallos J.V, "Agrarian Reform and Structural Change: Ecuador since 1964", Searching for Agrarian Reform in Latin America, Thiesenhusen W.C (Ed.), Unwin Hyman, London, 1989

³³ Cliffe L, "Land Reform in South Africa", Review of African Political Economy, No. 84, 2000

³⁴ Grappo P, "Agrarian Reform and Land Settlement Policy in Brazil - Historical Background", Land Tenure Service SDAA, FAO, Rural Development Division, June 3 1996

³⁵ Barber S, "Colombia holds answers for Zimbabwe", Business Day, December 18, 1997

³⁶ Servico Brasileiro de Justica e Paz, "Land Issues", News from Brazil, Number 166, February 16, 1995

³⁷ Osava M, "Brazil Development: Financial Deficit main enemy of Land Reform", World News, December 4, 1997

³⁸ Moyo S, Rutherford B & Amanor-Wilks D, "Land reform and changing social relations for farm workers in Zimbabwe", Review of African Political Economy, 84, 2000

³⁹ Land and Rural Digest, "A Seed not Sown", Supplement, February 1999

⁴⁰ and for the two rows below, Cliffe L, "Land Reform in South Africa", Review of African Political Economy, No. 84, 2000

⁴¹ Mail & Guardian, April 14 – 19, 2000

⁴² Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 19

⁴³ Didiza's speech at the National Assembly, available at <http://land.pwv.gov.za>

Namibia ⁴⁴	Dec. 2002	12	30 000			599 077
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Some of the reasons for the initially slow redistribution process, as well as some of the negative consequences of this programme, are discussed in section three below. The discussion includes issues and problems relating to; the Settlement/Land Acquisition Grant, land valuation, Community Trusts and Property Associations, policy development and capacity building, impoverishment of land reform beneficiaries, the lack of post-settlement support, the economic realities of farming, communal production, excessive bureaucracy, inappropriate targeting, demand-driven programmes and the “elite” capture of the redistribution process.

However, before discussing some of the programme’s shortcomings and problems, it is useful to point to some of the redistribution programme’s achievements. Deininger and May⁴⁵ argue, for example, based on a survey they conducted in September and October 1999 with 1168 randomly selected land reform beneficiaries from 87 land reform projects, that land reform has “led to the establishment of a significant number of projects that generate sustainable revenues” for “the poor”. The authors set out to determine (a) whether land redistribution has a positive impact on agricultural production and (b) whether the land redistribution programme had lived up to expectations. The authors conclude that, although there is room for “considerable improvement” the land reform programme did and continues to benefit the poor.

The authors argue that the redistribution programme had reached the “correct” beneficiaries, because 75% of the beneficiaries surveyed fell below the poverty line, 55% did not have access to running water, two thirds did not have access to a toilet and because beneficiaries had “worse” access to infrastructure than non-beneficiaries. Therefore, the hypothesis (put forward in section three and the conclusion of this chapter) that the benefits of land reform are appropriated by the “non-poor” is questionable.⁴⁶ Further, that contrary to concerns that the land reform programme may be biased against women, levels of participation by female-headed households in land reform was “high” (31% of the beneficiary households they surveyed were headed by women).

Having defined “sustainable revenues” as “R10 000 per beneficiary household” and “enough to lift them out of poverty” the authors found that 16% of the projects surveyed could be considered “sustainable”. This is significant, and Deininger and May point out that this should increase over time as many of the surveyed projects are in the early stages of implementation.

⁴⁴ Star, “Namibia resolves to seize farms”, August 28, 2002

⁴⁵ Deininger K & May J, “Can there be growth with equity? An initial assessment of land reform in South Africa”, World Bank Policy Research Working Paper 2451, September 2000

⁴⁶ The authors acknowledge that there is great regional variation and many of these issues are discussed in the problems pertaining to the redistribution programme in the following section. However, the major shortcoming with this argument (in my view) is that the authors do not provide comparative evidence (i.e. what was the socio-economic situation of these beneficiaries before they participated in land reform). It is possible that they have been impoverished as a result of land reform (see subsequent discussions).

The authors also argue that the land redistribution programme has the potential to improve household nutrition and welfare “from own production” among beneficiaries. Essentially, the authors base this argument on three survey findings. First, that the land reform beneficiaries surveyed have access to un-/under-utilised land, as well as, labour (e.g. 20 percent of surveyed household heads⁴⁷ were unemployed). In addition, the authors put forward the hypothesis that the land reform programme results in self-selection of more entrepreneurial households and base this on their survey findings pertaining to savings and farm animal ownership. The authors found that 50% of the beneficiaries surveyed had access to savings and about 25% had access to credit. Further, almost 60% of the surveyed beneficiaries owned poultry, 44% owned goats, 37% owned pigs and 27% owned cattle.⁴⁸

3. Problems particular to the South African Redistribution Programme that contributed to the development of the Land Redistribution for Agricultural Development Programme

3.1. Problems relating to the Settlement/Land Acquisition Grant

The biggest problems that emerged during the implementation of the Redistribution Programme relate to the size of the Settlement/Land Acquisition Grant (SLAG). The debate around the size of the grant dates back to the policy formation process of the early 1990s. There were broadly two sides to this size debate. The first group, which included Helena Dolny, Hans Binswanger, Bongiwe Njobe and Masiphula Mbongwa, argued for significantly larger and more flexible grants ranging from R30 000 to R100 000. They argued that the R15 000 grant was insufficient for emerging entrepreneurs wanting to engage in commercial farming. The grant was also insufficient for the acquisition of enough high-quality agricultural land. They also argued that the fixed grant system (equal to the Housing Subsidy) did not account for the differences between residential and productive assets. Productive assets could, for example, generate employment thereby justifying a bigger investment. As Helena Dolny explained, “*the fixed R15 000 grant did not make sense at all. It was a totally inappropriate way of thinking about agricultural production. It is like the Soviet Union that decided it would set targets for tractor production in terms of weight - i.e. producing X tons of tractors. Of course, you get the heaviest bloody tractors that you have ever seen in your life*”.⁴⁹

The second group (whose opinions are reflected in the 1997 White Paper on Land Reform and which includes former minister of Land Affairs, Derek Hanekom) was arguing for a system that was easy to administer and that was in line with the grants provided by the Department of Housing. This group argued that land reform was not

⁴⁷ My concern with this argument is that the authors do not provide a gender breakdown of the number of unemployed household heads. This is important, because being unemployed does not necessarily mean that one has time to engage in agricultural production. A single mother of five children, who has AIDS, for example, would fall in the category “unemployed household-head that can provide labour”, but this is not accurate.

⁴⁸ To me these findings seem to contradict earlier findings that 70% of the surveyed land reform beneficiaries fall below the poverty line.

⁴⁹ Interview with Helena Dolny (Former Director of Land Bank), June 22, 2001

primarily about agricultural development but, rather, about poverty alleviation. *“The land reform programme was supposed to be based on the principle of some for all. We tied it to the housing grant because we foresaw all sorts of difficulties if we did not. South Africa is not a rich country and the state has a limited amount of resources available for land reform and agricultural development. One cannot allocate indefinite amounts of money to a particular area when, for example, hospitals and schools are under-equipped. Also, the bigger the grant the less people would be able to benefit from land redistribution ”.*⁵⁰

The first implication of the size of the grant (and which continues to plague resettlement projects today) is that it forced people to form (often artificial) groups. The grant-based approach had grown partly out of the assumption that there were communities in existence that were keen and able to take advantage of the opportunities presented by the Redistribution Programme.⁵¹ As implementation proceeded, it soon became apparent that communities were not cohesive, community structures broke down easily and that productive management was fraught with difficulties. This placed an obvious limit on productive potential and the income generating capacity of projects. Apartheid displacement policies resulted in the fact that many communities had been destroyed or dispersed by the early 1990s.

Numerous case studies⁵², including the DLA’s Quality of Life Reports, indicated that many groups were formed with little previous mutual involvement, or tenuous links, for the sole purpose of forming the critical mass required to purchase a farm. *“Sometimes the groups were people who already knew each other well . . . often, there was little group cohesion. A better informed, more entrepreneurial person might campaign to get people together so that they made up the critical mass needed for farm acquisition. Sometimes, only this person or an inner core of two or three people had serious farming ambitions. The rest were poorly informed, ‘rent a crowd’ recruits who made up the numbers that the entrepreneurs needed. Commonly, a group would launch into the redistribution process, then find that the farm they identified to purchase cost more than the total of the grants for which they qualified. They would bring in more members until they qualified”.*⁵³

Secondly, after land purchase the Settlement/Land Acquisition Grant was, in most cases, too small to start-up income generating agricultural projects or to finance the necessary capital inputs required for agricultural development. The grant generally covered only the purchase price of the land – often modestly priced low-quality agricultural land that requires more investment. Successful beneficiaries tended to be those who obtained

⁵⁰ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartbeespoortdam, September 8, 2002

⁵¹ Cliffe L, “Land Reform in South Africa”, Review of African Political Economy, No. 84, 2000

⁵² Lyne M & Lima Rural Development Foundation, “Options for Government’s Settlement/ Land Acquisition Grant”, Research Paper for the National Land Committee, July 1998 & NLC, “Land Redistribution Media Fact Sheet, not dated & Cliffe L, “Land Reform in South Africa”, Review of African Political Economy, No. 84, 2000 etc.

⁵³ Turner S & Ibsen H, “Land and agrarian reform in South Africa: A Status Report”, Occasional Paper Series, PLAAS, UWC, November, 2000, p. 15

access to other sources of income (e.g. commercial bank loans or donor support) to finance infrastructure and productive enterprises.

The Solane community in Mpumalanga, where I conducted fieldwork, for example, purchased a R2.5 million farm near Komatipoort with the Settlement/Land Acquisition Grant but had no money left over after the purchase to start production. The Solane community is one of the few resettlement cases where beneficiaries were able to obtain a loan from the Land and Agricultural Bank for the acquisition of infrastructure.⁵⁴

In another example, a small landless community, on the banks of the Orange River near Witbank, was able to purchase a farm with the Settlement/Land Acquisition Grant in 1994. Similarly, the grant was too small to allow the development of a residential site or, to acquire the machinery and equipment necessary for farming. In 1996, the Irish government stepped in and provided funding for the acquisition of a second farm, Hartebeesrivier, on September 7, 1996, as well as, tractors, an irrigation system and other necessary equipment.⁵⁵ In the majority of redistribution projects, however, additional funding could not be obtained.

3.2. Land valuation

Other problems in redistribution projects include controversies around land valuations, transaction and implementation costs, tenure arrangements and investment constraints. Land prices are negotiated between a “willing-seller” and a “willing-buyer”/beneficiary community. Land valuation influences the negotiated price and depends on the valuation method used. Presently, private land is valued at estimated market price. Including a Land Bank land valuation, or employing methods such as valuation based on the productive value of the land, may result in lower purchase prices. Although state-owned land is exempt, transfer costs that include cadastral surveys, valuation fees, conveyance fees, stamp duty and deeds registry of up to 10% of the purchase price is payable by beneficiaries⁵⁶, further depleting the meagre resources provided by the Settlement/Land Acquisition Grant.

It emerged during implementation of redistribution projects that certain costs had been overlooked. These included the payment of consultants’ and contractors’ fees, advertising fees and the provision of infrastructure that met the minimum standards required by government departments.⁵⁷ Finally, although resettled communities may opt for a wide range of tenure arrangements ranging from communal to individual title, the high transaction costs associated with subdivision and title registration has effectively

⁵⁴ Interview with Jabulani Themba (Chairperson of the Solane Community Trust), June 30, 2001. This case study, and in particular the impact that access to credit has had on this Redistribution Project, is discussed in chapter four.

⁵⁵ Power S, "Community gets chance to live off land", *Land Update*, No.53, November 1996

⁵⁶ Department of Land Affairs, White Paper on South African Land Policy, Pretoria, April 1997

⁵⁷ Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

ruled out freehold tenure.⁵⁸ This has arguably had a negative influence on the willingness of individuals to make long-term investments in their properties.

3.3. Community Trusts and Communal Property Associations

As discussed, for transfer of land and funds to take place applicants had to form a legal entity with a formal constitution stipulating the rights and responsibilities of members. Initially, most of the legal entities that were formed were Community Trusts (as legislated by the Trust Control Act 57 of 1998). The Communal Property Associations Act 28 of 1996 was passed to enable communities to form a legal entity that could manage and purchase property communally in a fair and equitable way. Communal Property Associations (CPAs) enabled a more participatory approach to decision making than, was the case with community Trusts, where decisions were made by Executive Committees. The process of registering CPAs is also simpler and cheaper than the creation of Trusts, requiring only the identity numbers of members and the adoption of a generic constitution. Accordingly, from 1996, the establishment of CPAs has become the dominant practice in resettlement projects (75% of all resettlement projects in August 2000).⁵⁹

Many of the problems that emerged during the implementation of the Redistribution Programme relate to the formation and post-settlement functioning of Community Trusts and Communal Property Associations. Firstly, the formation of legal entities is one of the factors that contributed to a slow redistribution programme. Secondly, lack of communication between the Department of Land Affairs, Trusts/CPAs and communities, as well as questions around the accountability of trustees and CPA members have been central to post-settlement problems in redistribution projects. This also points to the vulnerability of communities who are not familiar with the western property and management ideologies imposed on them, while white landowners (who are familiar with western property holding and management systems) take advantage.

There are cases where communication between trustees and community members is sound, with high attendance rates at meetings – the Solane Community Trust, for example.⁶⁰ (It became apparent during the interview process that I conducted with the members of the Solane community that beneficiaries were well informed and trusted the “trustees”. The trustees, in turn, made concerted efforts to keep members of the group informed. Groups meetings - to discuss farm management or production issues - were well attended and all beneficiary households were represented.)

It appears, however, that effective communication is an exception. The Xhonomani San, whom I visited and where I conducted interviews, represent a more typical example. The community is divided into two groups, the more “traditional” group represented by

⁵⁸ Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

⁵⁹ Swanby, “Communal Property Associations: The Jury is Still Out”, *Land and Rural Digest*, July/August 2001

⁶⁰ Interviews with Solane Community members, June 29, 2001

Dawid Kuiper and his family who originally lodged the restitution claim and, the more “modern” group, who dominate the CPA Management Committee. In this case, the CPA Management Committee has not been accountable or open. Almost four years after the land was restituted to the community, the Kuiper family has received no benefits or income from their land. The CPA Management Committee has also made a number of deals (some illegal) about which the Kuiper family was not informed. In fact, communication is so poor, that the Kuiper family learnt through a newspaper article that the one farm (Erin) would go up for public auction in September 2002 and that all the game on the farm had been lost through (sometimes illegal) hunting and lack of access to water. The CPA constitution stipulated that a new Management Committee had to be elected in June 2002, which had not happened at the time of writing and raises questions around the legitimacy of the Management Committee.⁶¹

In the case of the Daggakraal community, when taking over their farm in January 1997, the community found that the Chairman of the Lephotsoana 2 Trust (Nkosi Moloi) had entered a verbal agreement allowing the seller to harvest 220 hectares of maize after the property had been transferred. This arrangement cost the Trust a substantial amount of money and raises questions about the accountability of executive members.⁶²

The vulnerability of communities is illustrated by a small community, under the leadership of Induna Jonathan Buthelezi, living next to the Ngome Forest in KwaZulu-Natal. The community applied for the Settlement/Land Acquisition Grant believing that they were purchasing two timber farms adjacent to the Sapekoed Tea Plantation where they work. The community planned to build a settlement near work, while at the same time deriving an income from the timber plantations. When the community received the deeds of sale, however, they had purchased neither the timber plantations nor the area adjacent to their work on which the residential settlement was planned. Community members blame the bewildered Induna, while the landowners have an irrefutable legal document that has ensured them a good price for an intrinsically useless piece of land. The Department of Land Affairs, who should be held accountable for this incident, says that it regrets what happened but has no solutions.⁶³

Thirdly, although CPAs are good structures for dealing with membership rights and responsibilities, they are not good business management structures. Large groups and democratic structures often hinder decision-making. As former DLA Chief Planner Chris Williams explains, *“you can’t have a community meeting every time you need to decide whether to buy Dunlop or Firestone tires. Those types of decisions need to be taken quickly and on a purely commercial basis”*.⁶⁴

⁶¹ Interview with Isak Kuiper (Representative of the Xhomi San), Hartebeestpoortdam, September 8, 2002. For a more detailed history of the Xhomi San see Isaacson R, *The Healing Land*, Jonathan Bull Publishers, UK, 2001

⁶² Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

⁶³ Barker N, "Land Lessons in clash of the clans", *Mail and Guardian*, February 6-12, 1998

⁶⁴ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

There is also a need to separate land use/membership rights from the commercial functioning of the farm/project (i.e. to distinguish between individuals' rights as community members and their rights as staff members). *"There is a conflict between managing the farm and being on the CPA at the same time. If you are the chairperson of the CPA and you are managing the farm, you are wearing two hats. If you discipline a person for not working or, for drinking on the job and so forth, that person may threaten to vote you out in the next elections"*.⁶⁵ Williams recommends that a sub-structure with a different legal standing be set up to run the business. In Mpumalanga, Stama Impilo CPA has managed to do this successfully. The CPA is a shareholder of a PTY. (Ltd.) that has been set up as the operating company and leases land from the Stama Impilo CPA.⁶⁶

Furthermore, CPAs are struggling to run effective business ventures because of a lack of training, skills and capacity. Most CPA participants have little (if any) prior experience in bureaucratic structures or the (democratic) management of a wide range of commercial farming enterprises. There have been cases where mismanagement has forced land reform beneficiaries to sell their land.⁶⁷ The Association for Rural Advancement (AFRA) has found that, in most cases, trusts and CPA management structures do not have the capacity, skills or information to adequately undertake the work expected of them.⁶⁸ Clearly, the DLA should pay attention to, and invest in, the development of technical, business and financial management skills. Unfortunately, it appears that the Department of Land Affairs does not have the capacity to monitor or provide support and assistance to CPAs. A provincial planner at the Department of Land Affairs admits that a major downfall has been the lack of capacity in the DLA to monitor CPAs as provided for in the Communal Property Associations Act.⁶⁹ At the time of writing, the DLA did not even have enough data to assess whether CPAs were having a positive or a negative effect.

In addition, CPA constitutions often do not reflect the views and practices of communities. A project conducted in KwaZulu-Natal, to assess CPA constitutions, found that these are often poor legal documents confusing the central issue of membership, illogically set out, not translated into local languages, that very few communities were familiar with or understood their constitutions and that the emphasis was often inappropriate.⁷⁰ Cousins⁷¹ argues that most communities have broadly similar approaches to communal land holding and that these do not match easily with western

⁶⁵ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

⁶⁶ Swanby, "Communal Property Associations: The Jury is Still Out", Land and Rural Digest, July/August 2001

⁶⁷ Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 16

⁶⁸ Liversage H, Report on an Investigation into Act 126 Land Acquisitions in KwaZulu Natal, Unpublished, AFRA, November 1995

⁶⁹ Swanby, "Communal Property Associations: The Jury is Still Out", Land and Rural Digest, July/August 2001

⁷⁰ Cousins T, "Communal Property Associations", Land and Rural Digest, September/October, 2001. For more on this issue see Deininger K & May J, "Can there be growth with equity? An initial assessment of land reform in South Africa", World Bank Policy Research Working Paper 2451, September 2000

⁷¹ Cousins T, "Communal Property Associations", Land and Rural Digest, September/October, 2001

legal and democratic paradigms. *“Thus, membership of the community, land allocation and rights, inheritance practices, decision making processes and gender relations (to name a few key areas) are not easily incorporated into a constitution that meets the requirements of CPA guidelines or current legal precedents”.*

AFRA found that the constitutions are often hastily formed, seemingly to meet the conditions of purchase.⁷² Cousins also found that people agree to provisions that are often alien (and inappropriate) to their current practices in order to acquire land. Furthermore, in a number of cases, the procedure for inheritance and the land rights of successive generations were not clearly set out in the CPA constitutions. Examples include Daggakraal, Misgunst, Labuschagneskraal⁷³ and the Sibongile⁷⁴ community. This could lead to a variety of future problems including disputes, resource depletion and overcrowding.

Communal ownership of land (whether managed by Trusts of CPAs) has resulted in a host of other problems common to communal projects elsewhere. This includes the classic free-rider problem, discrepancies between those willing and able to invest and those who are not, inability to use the land as collateral, lack of community participation in the formation and operation of community structures and questions around ownership. During the interviewing process I conducted with the Solane community, for example, (without being prompted, but only in the absence of Trust members) beneficiaries expressed concern that the deed is in the name of the Trust and that there is no legal record of individual ownership.⁷⁵ The Sibongile community expressed similar concerns concerning their Steering Committee and the difficulty in proving individual ownership of land.⁷⁶

3.4. Policy development and capacity building

In the first two years of the redistribution programme, literally only a handful of projects reached the implementation stage. This was partly a result of policy development and setting implementation practices in place. *“One must remember that laws had to be passed, policies had to be put in place – we had to build a foundation first”.*⁷⁷ Or as Ben Cousins explains, *“The redistribution programme was initially slow because a lot of effort went into developing systems and procedures, in the context of people learning to work inside government and learning the ropes. It was inevitable that there would be little real delivery in the early years. It was unrealistic to expect otherwise”.*⁷⁸

⁷² Liversage H, Report on an Investigation into Act 126 Land Acquisitions in KwaZulu Natal, Unpublished, AFRA, November 1995

⁷³ For a detailed account of these three case studies see Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

⁷⁴ For a detailed account of the Sibongile redistribution project see Bonti-Ankomah S, Land Redistribution Options for South Africa, NLC, 1998

⁷⁵ Interviews with Solane Community members, June 29, 2001

⁷⁶ Bonti-Ankomah S, Land Redistribution Options for South Africa, NLC, 1998

⁷⁷ Interview with David Manzini (DLA Project Officer, Mpumalanga), May 25, 2001

⁷⁸ Interview with Ben Cousins, (Director PLAAS), July 2, 2001

Related to the above, the second major obstacle was the lack of skilled staff within the Department of Land Affairs. As former Director General of the DLA, Geoff Budlender explains, *“it was an entirely new department, with an entirely new programme and at an operational level, mostly entirely new people. Large percentages of the department’s staff came from a history of activism and were doing their first public service job. It was an exhausting department to work in. Things were changing all the time. It was like a state of permanent revolution; what was the truth today was no longer the truth tomorrow. It was a ferment – that was the department’s strength and its weakness. The change was necessary because it was a new programme with lessons emerging all the time. We were all very enthusiastic. We had been given the opportunity that we had been asking for all our lives – a bit like a dog chasing a car and, when it catches the car, has no idea what to do with it!”*⁷⁹

The third factor, contributing to a slow redistribution programme in South Africa, was financial and human resource capacity constraints. International evidence indicates that financial constraints contribute significantly to slow or unsuccessful land reform programmes. The Zimbabwean government, which transferred more land in the first ten years after independence than either Kenya or South Africa did, for example, was plagued by financial constraints despite significant donor funding, partly as a result of the willing-buyer and willing-seller approach to land reform. The estimated cost of the land reform programme, in 1981, was US\$ 364 million but, by 1987, actual expenditure was closer to US\$38.6 million. Rising land prices and structural adjustment programmes further reduced spending levels. The budget of the Ministry of Lands, Resettlement and Rural Development (established in 1980 with the objective of redistributing land to 162 000 households by 1985) was reduced by 53% in 1983 and a further 33% in 1989. The ministry was dissolved shortly thereafter, while land purchase essentially ground to a halt.⁸⁰ In Namibia, the government recommended, in August 2002, that the land reform budget be increased from R20 million to R100 million (five times), in order to address the needs of the 243 000 landless Namibians.⁸¹

In the South African case, however, it appears that human resource capacity constraints were more significant in slowing down the process of land redistribution. The Department of Land Affairs was very understaffed, with only 169 people working in the nine provincial departments of Land Affairs in the late 1990s.⁸² Geoff Budlender explains, *“it was not so much a financial issue. It was only in the financial year, ending in March 1999, that we first came close to spending our full budget. There were just not enough bodies to do the job. When I joined the Department in 1996, the DLA had only 400 staff members nationally. It was absurd to think that so few people could do the job. The increase in pace, in the late 1990s, is partly a result of the fact that we had increased staff numbers to 700 by the time I left [1999]”*.⁸³

⁷⁹ Interview with Geoff Budlender, former Director General of DLA, July 2001

⁸⁰ Zimbabwean land reform budget figures from Bratton M, “Land Redistribution 1980 to 1990”, *Zimbabwe’s Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

⁸¹ *Star*, “Namibia resolves to seize farms”, August 28, 2002

⁸² Lodge T, *Politics in South Africa*, David Phillip, Cape Town, 2002, p. 74

⁸³ Interview with Geoff Budlender, former Director General of DLA, July 2001

Human resource capacity constraints also limited land reform in Brazil. The National Institute for Rural Settlement and Agrarian Reform (INCRA), established in 1971 and responsible for settling land claims in Brazil, consistently argued that it did not have enough staff members to attend to the 800 or more land reform projects that existed in 1995, much less to increase the number of redistribution projects.⁸⁴ In Mexico, the inadequate number of governors available to deal with land claims resulted in huge backlogs and administrative and bureaucratic difficulties.⁸⁵

Fourthly, the DLA's attempts at institutional transformation, focussing mainly on redressing the racial imbalances in senior staff, not only contributed to delays in the redistribution programme but, were largely unsuccessful - if the relationships in the DLA of the late 1990s is anything to go by. *"The DLA seems to have devoted massive amounts of time, creative thinking and finance (including aid funds) to analyses, inquests, designing proposals, documentation and discussion sessions around these structural changes"*. Although transformation was necessary, *"one wonders if these have not sometimes been at the expense of, rather than a means to, effort and creativity being devoted to critique and refinement of policy and strategy"*.⁸⁶

3.5. Impoverishment of land reform beneficiaries

The National Land Committee (NLC) has argued that the redistribution programme has done little to improve the lives of the rural poor. Wages and income levels on redistribution projects are low, unemployment levels high, savings non-existent, food insecurity prevalent and the absence of post-settlement support for agricultural production evident.⁸⁷

The DLA's Quality of Life Report showed that of 62 resettlement projects surveyed, 40% had no primary schools within walking distance.⁸⁸ In some cases, land reform beneficiaries could not be found, presumably having left the redistribution projects for more viable livelihood opportunities elsewhere.⁸⁹ In other cases, the redistribution programme has impoverished communities. Having spent all their resources on land acquisition, some beneficiaries lost access to clean water, electricity and services when they moved onto redistributed land.⁹⁰

In a case study of Labuschagneskraal, it was found that some members of the community intend to withdraw from the redistribution project, either because they cannot afford the

⁸⁴ Servico Brasileiro de Justica e Paz, "Land Issues", News from Brazil, Number 166, February 16, 1995

⁸⁵ See chapter 6 on Restitution for more detail on the legal nature of the Mexican land reform programme and consequent delays in implementation.

⁸⁶ Cliffe L, "Land Reform in South Africa", Review of African Political Economy, No. 84, 2000

⁸⁷ NLC, Land Redistribution Media Fact Sheet, not dated

⁸⁸ DLA, Quality of Life Report, Land Info, 6,1,1999

⁸⁹ Interview with Dave Husy (Former Deputy Director of the NLC), May 31, 2001

⁹⁰ DLA, Quality of Life Report, Land Info, 6,1,1999, p. 14 & 15

equity contributions required or, because they can get better accommodation elsewhere.⁹¹ Findings from research conducted on land redistribution projects in KwaZulu-Natal have shown that land redistribution beneficiaries remain dependent on some level of subsistence agricultural production, outside remittances such as pensions, and access to natural resources such as wood (as fuel), water, medicinal plant and wild foods.⁹²

In another case study, conducted on Gallawater A Farm in Whittlesea in the Queenstown district of the Eastern Cape, Mokgope⁹³ found that six years after the land was redistributed to the community (consisting of 102 beneficiary households), “people were no better off”. The Gallawater Trust (an elected Board of Trustees) acquired the farm just before the 1994 election as part of the Eastern Cape Land Reform Pilot Programme. Fifteen percent of the purchase price was paid with a loan that the community obtained. However, most members of the community have great difficulty in making the monthly loan repayments (particularly pensioners) and those who are able to make the repayments find that most of their financial resources are being invested in loan repayments. Due to a lack of resources, farming activities are accordingly very limited.⁹⁴

According to Mokgope, both the Department of Land Affairs and the Gallawater community assumed that they would be able to repay the loan with income generated from the productive use of the farm. Neither parties factored the costs of building infrastructure, acquiring equipment and skills development into their plans. Furthermore, because the loan is outstanding, there is a threat that the land could be repossessed. In some ways the farm has deteriorated since the community moved onto Gallawater A Farm. The water pump, for example, broke down. Consequently, the community has to rely on the Klipplaat River for water and they have been unable to effectively cultivate arable land. Without significant state (or private sector) investment, the Gallawater community are not likely to generate a significant income from agricultural production and they stand a chance of losing the land they acquired under the Land Reform Pilot Programme. The required investment includes financial assistance as well as service provision (energy, transport, water, sanitation, access to markets, training, and skills development).⁹⁵ What the Gallawater A Farm case study highlights, is the argument made throughout this thesis, that land reform beneficiaries need significant state/ private sector support and investment if they are going to succeed as farmers.

⁹¹ Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

⁹² Bob U & Banoo I, “Local Institutions and Sustainable land-use management in land redistribution projects in rural KwaZulu-Natal”, in Benjaminsen T A, Cousins B & Thompson L (eds.), Contested Resources, Challenges to the Governance of Natural Resources in Southern Africa, PLAAS, UWC, Cape Town, 2002

⁹³ Mokgope K, Land reform, sustainable rural livelihoods and gender relations: A case study of Gallawater A farm, Volume One, Research Report Number 5, PLAAS, UWC, November 2000

⁹⁴ My fieldwork with the Solane community revealed a very similar scenario, for an account of the negative affect of loan repayments on the Solane community’s farming activities, see chapter four.

⁹⁵ The discussion on Gallawater A Farm draws exclusively on Mokgope K, Land reform, sustainable rural livelihoods and gender relations: A case study of Gallawater A farm, Volume One, Research Report Number 5, PLAAS, UWC, November 2000

A case study conducted by Rawlins⁹⁶ shows how the Gasela community were only able to improve their social and economic position because of the committed involvement of the Border Rural Committee. The Border Rural Committee followed an integrated planning approach, in which the Committee acknowledged the close relationship between land use, land tenure and land administration. According to Rawlins, rural development is possible, but only if such an integrated approach is followed.⁹⁷ However, it is questionable whether this kind of integrated support is replicable in cases where there are no non-governmental organisations, with the required resources and commitment, available to intervene.

The NLC argues that there has been no significant redistribution of resources from the rich to the poor. Rather, redistribution *“involves the transfer of ownership of one set of assets and endowments of the rural poor – their cash and livestock holdings – to ownership of another set of assets and endowments – land and infrastructure”*.⁹⁸ Researchers from PLAAS argue that land reform has shown *“little sign of effectively addressing the deepening crisis of the rural poor, who remain marginalised by the process of growth and change that the new South African government is achieving”*.⁹⁹

An article, published by the Congress of South African Trade Unions in July 2002, argued that land reform has failed *“dismally to achieve social and economic transformation and development”*.¹⁰⁰

3.6. The lack of post-settlement support

International and local experiences suggest that without post-settlement support to impoverished beneficiaries land reform will fail. Lack of post-settlement support is one of the factors that contributed to the relative failure of land reform in Latin America (particularly lack of input supplies and infrastructure) and has, in many cases, led to the abandonment of newly acquired land.¹⁰¹ Lack of infrastructure and support services, such as access to markets, in Panama and Costa Rica, meant that land reform beneficiaries were unable to farm successfully.¹⁰² The 1994 Colombian land reform programme also showed that unless resettled farmers are given financial assistance, training and access to infrastructure and social services, beneficiaries are not able to start farming operations.

⁹⁶ Rawlins D, “The three-pronged approach to rural development: The case of Gasela”, in Cousins B (ed.), *At the Crossroads: Land and Agrarian Reform in South Africa into the 21st Century*, PLAAS, UWC, 2000

⁹⁷ Rawlins D, “The three-pronged approach to rural development: The case of Gasela”, in Cousins B (ed.), *At the Crossroads: Land and Agrarian Reform in South Africa into the 21st Century*, PLAAS, UWC, 2000

⁹⁸ NLC, Land Redistribution Media Fact Sheet, not dated

⁹⁹ Turner S & Ibsen H, “Land and agrarian reform in South Africa: A Status Report”, Occasional Paper Series, PLAAS, UWC, November, 2000, p.47

¹⁰⁰ *Mail & Guardian*, “COSATU publication slated land policy”, July 12-18, 2002

¹⁰¹ Thiesenhusen W.C, “Conclusion”, *Searching for Agrarian Reform in Latin America*, Thiesenhusen W.C, (Ed.), Unwin Hyman, London, 1989

¹⁰² Sequira M, “Central America: Rural Workers say Land is Returning to the Rich”, *World News*, April 9, 1998

In Brazil, the Landless Peoples' Movement (MST) has pointed out that resettled families without financial resources or access to post-settlement support services are unable even to fulfil their basic needs. Despite the Brazilian government's stated commitment to the provision of post-settlement support, which includes the development of infrastructure and the provision of credit and social services in rural areas (including houses, electricity, hospitals and schools), one of the greatest difficulties experienced by the INCRA has been providing such assistance.

On the other hand, one of the principle characteristics of the Cuban land reform programme, which achieved greater equity, increased agricultural production and greater political stability, was state support for producers that included the provision of social services, infrastructure and resources. The Cuban government placed considerable emphasis on the mechanisation and modernisation of agricultural production. Consequently, the total area of land under irrigation expanded from 13% in 1959, to 32% in 1984. Fertiliser consumption rose from 63kg per hectare in 1960, to 179kg per hectare in 1984.¹⁰³ The state controlled the supply of agricultural inputs, the means of production, the processing of raw material and the pricing and marketing of agricultural products. Furthermore, the land reform programme was accompanied by concerted government effort to increase access to education and healthcare.¹⁰⁴

The Japanese land reform programme, which redistributed 35% of agricultural land, was complemented by a context of general economic development that included policies for the creation of off-farm employment to address the phenomenon of rural to urban migration and to lessen the need for land in rural areas. The success of small-scale farmers in Zimbabwe's communal areas, discussed in chapter three, was the result of government investment in and, support of, small-scale farmers. This included excellent agricultural extension services and, from 1985 onwards, increased provision of social services to communal areas. Furthermore, the Transitional National Development Plan, of 1982, emphasised education and human resource development programmes and the provision of infrastructure to communal areas.¹⁰⁵

Despite such evidence, the South African Redistribution Programme neglected long-term post-settlement support to beneficiaries. As pointed out by Turner and Ibsen¹⁰⁶ the "*whole process was heavily front-loaded*". Emphasis was placed on planning and support mechanisms to help beneficiaries acquire land, while post-settlement support and farming advice was lacking. Accordingly, resettled communities often do not have access to the necessary advice, training, credit or infrastructure. The National

¹⁰³ For a comprehensive history of Cuba see Thomas H, Cuba: The Pursuit of Freedom, Picador, London, 2001. Thomas argues that Cuban statistics, particularly for production and land distribution, can only be considered as "indicators" and also gives a detailed account of the violence that surrounded transformation in Cuba.

¹⁰⁴ Cuban example from El-Ghonyem M.R, "Cuba", The Political Economy of Rural Poverty, Routledge, London, 1990

¹⁰⁵ Bratton M, "Land Redistribution 1980 to 1990", Zimbabwe's Agricultural Revolution, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

¹⁰⁶ Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 14 & 16

Department of Land Affairs is not responsible for post-settlement support. Policy stipulates that implementation and post-settlement support is the responsibility of provincial and local governments. However, in some cases, the provincial governments were “*not even competent enough to manage their own affairs*”.¹⁰⁷ Furthermore, the Quality of Life report found that project implementers were unable to establish effective relationships with local governments or to win commitment from local governments to carry out infrastructure development.¹⁰⁸ As Geoff Budlender explains, “*the Redistribution Programme was very weak in building links with local and provincial governments that were supposed to provide beneficiaries with extension services and so on. This was a very serious failure because, people often settled on land where there was very little water. It often took a year, or two, before they could start farming*”.¹⁰⁹

Former Minister of Agriculture and Land Affairs, Derek Hanekom, argues that the need for post-settlement support should not be overemphasised. “*Because, peasants were farming well without land reform and without any state support in the past and, many peasants are producing well without much support all over the world – Malawi, Uganda and India*”.¹¹⁰ According to Hanekom, the most important determinant of success is the degree to which the needs and abilities of beneficiaries have been matched with the size and type of land provided. The challenge, therefore, lies in modelling land reform in such a way that beneficiaries can produce successfully without any state assistance – and thereafter, to provide as much assistance as possible. “*Land reform is primarily about making land available to different kinds of land users but, it should be the right kind of land for the right users and with the right people through the right process – that is the real challenge. There is no point in redistributing a wine farm to an experienced cattle herder. In order to succeed, s/he would need massive state support that includes training and subsidised credit. The mistake is putting the wrong farmer on the wrong land, not that the beneficiary does not have access to post-settlement support. If the state gives the experienced cattle herder an additional piece of land to expand his/her operations, s/he would not require further assistance from the state to be successful*”.¹¹¹

Although matching needs with land is important and, despite historic and international evidence of relatively successful peasant farming with limited assistance, it is not always practically possible and, case studies indicate that the provision of post-settlement support is crucial for the long-term success and sustainability of agrarian and land reform.¹¹²

A significant number of the members of the Solane community in Mpumalanga, where I conducted fieldwork, for example, had farming experience (as subsistence farmers and

¹⁰⁷ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

¹⁰⁸ DLA, Quality of Life Report, Land Info, 6,1,1999

¹⁰⁹ Interview with Geoff Budlender, former Director General of DLA, July 2001

¹¹⁰ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

¹¹¹ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

¹¹² For more on the need for support to small-scale and developing farmers, see chapter three.

farm workers). Yet, there was nobody with large-scale farm management experience, and those who had experience tended to be elderly. Aware of their need for management expertise, the Solane Community Trust (on behalf of the Solane community) requested management training from the Department of Land Affairs. According to the Chairperson of the Solane Community Trust¹¹³, the Department of Land Affairs never responded to this request. As an alternative, the Solane Community Trust requested financial assistance from the Department of Land Affairs in order to employ a full-time farm manager. The Solane Community Trust has not received a response from the Department of Land Affairs in this regard either.

Furthermore, lack of infrastructure is a major impediment to successful production on the Solane farm. Although the Solane community has access to roads, these are in a bad condition and in need of repair.¹¹⁴ Applications for assistance were made to the Department of Agriculture for the repair and construction of roads, but (once again) the Solane community has not received any help. Accordingly, agricultural activities do not generate sufficient income and members of the community continue to depend on other livelihood strategies. The consequent arrangement, is that the majority (with the exception of paid farm workers and a foreman) of the community work on the farm on a part-time basis and continue to live in the nearby township.¹¹⁵

The Ekuthuleni Trust was established in 1995 in order to access the Settlement/Land Acquisition Grant. It was only 1997, following extensive pre-planning and negotiations that the community consisting of 88 families purchased the farm (Labuschagneskraal) in the Estcourt district. Although large (927 hectares), Labuschagneskraal has limited agricultural potential and, only 30 hectares (if irrigated) are suited to intensive crop production. The team of consultants appointed in December 1996 to develop a detailed development plan, therefore, recommended that *“substantial investment would be required to establish a sustainable community and that continued support from government and access to private sector resources were necessary for the success of this land redistribution project”*. A year after settlement, however, the land was still not being farmed and the stocking rates on grazing land were more than double the rates advised by the Department of Agriculture. This case study highlights the need for institutional support after project implementation and also suggests that the role of provincial departments responsible for post-settlement support remains unresolved.¹¹⁶

The Sibongile Trust in the township of Kwakwatsi in the Free State was established in 1995 to purchase two farms through the Settlement/Land Acquisition grant and, thereby, address the communities' shortage of grazing land. In August 1997, the grant was transferred and the community acquired 1 061 hectares. The Development Plan

¹¹³ Interview with Jabulani Themba (Chairperson of the Solane Community Trust), June 30, 2001

¹¹⁴ In other words, roads are passable with a 4 wheel drive/ off-road vehicle, but are not passable with (for example) my 1100 Uno.

¹¹⁵ Interviews with Solane Community members, June 29, 2001 & Interview with Jabulani Themba (Chairperson of the Solane Community Trust), June 30, 2001

¹¹⁶ Entire paragraph based on case study conducted by Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

suggested that the 69 hectares of irrigated land be used for the cultivation of oats, the 504 hectares of dry land for the cultivation of crops such as maize and the remaining 488 hectares for grazing. Despite this income-generating potential, the project was hampered by a lack of funds and, two years later, farming operations had not yet started.¹¹⁷

Members of the Sheba community in Mpumalanga (where I conducted fieldwork) explained that besides land, they need agricultural equipment, electricity, water, infrastructure and transport, in order to succeed as commercial or subsistence farmers.¹¹⁸ In fact, a number of female and young respondents did not even list access to land as a “need”. They emphasised the need for water, schooling, employment opportunities, transport, access to social workers and sports and recreational facilities. It tended to be elderly men who talked about the need for land and agricultural resources and equipment. In one group discussion a small debate emerged around this issue, when one of the older female respondents asked an elderly male, *“How will you farm if you don’t have water”*.

Although discussions throughout this thesis (see in particular chapter ten) indicate that the need for support, social services and employment, as well as, basic necessities such as water and electricity is often ranked as more important than, for example, access to more land or freehold tenure (see chapter eight), the needs ranking of the Sheba community may be influenced by the fact that some members of this community have obtained relatively secure access to land (without any amenities or water) through a process of land invasion/re-occupation. In other words, obtaining access to land may have been less frustrating and less complicated than for communities who, for example, have waited six years for land redistribution through the official land reform programme.

Some members of the Sheba community participated in a land invasion/re-occupation of land relatively close to Baberton in Mpumalanga in the early 1990s. The settlement/invaded area gradually spread as employed and unemployed mine workers (from nearby mines) began to settle in the area. The government’s response to this “expanded invasion” of state-, privately and Parks Board-owned land, was to appoint a “company” through the Land Reform Support Programme “to identify the issues and try and facilitate a resolution to this matter”. At the time that I was conducting my fieldwork, sections of the community were in the process of acquiring secure tenure in certain parts of the “invaded” area.¹¹⁹

It is crucial that resettlement and redistribution policies are accompanied by post-settlement support services and infrastructure that include access to training, transport, marketing, credit, education and healthcare. The long-term success of any land reform programme depends on its sustainability.

¹¹⁷ Entire paragraph based on case study conducted by Bonti-Ankomah S, Land Redistribution Options for South Africa, NLC, 1998

¹¹⁸ Interviews with Sheba community members, June 27, 28 & 29, 2001, also see bibliography for details on individual interviews with members of the Sheba community.

¹¹⁹ See Appendix I for more detail.

3.7. The realities of agriculture and a lack of emphasis on the development of commercial production

Closely related to the lack of post-settlement support is the reality that it is difficult to succeed in, or derive sufficient income from, agricultural activities. *“To become a successful commercial farmer, you need human resource management skills and you need to understand marketing, pricing and budgeting – these are skills that take years to develop”.*¹²⁰ An independent development consultant explained that *“people sometimes have a romantic notion that once they own the land, they will automatically become rich. With so many experienced commercial farmers falling off the wagon”* it is obvious that commercial success is more elusive.¹²¹

Although the Department of Agriculture does offer some assistance and extension services, the *“average person does not know what route to follow. There should be workshops on how to farm commercially, what channels need to be followed and what is needed to become successful”.*¹²² The Department of Land Affairs also has a Community Support Facility (which, it seems, has not been utilised), established to aid resettled groups in the acquisition of the skills necessary for agricultural production.¹²³ Agricultural extension officers, furthermore, have limited experience in dealing with small-scale or emergent farmers.

As discussed, the Redistribution Programme placed emphasis on pre-settlement planning, while post-settlement support was neglected. This often meant that detailed planning took place around housing developments, while planning for potential agricultural production was neglected. One of the lessons that emerged from redistribution projects, according to Turner and Ibsen, is that livelihoods are *“not just about the tangibles of production and income. Less tangible concerns, such as having secure ownership or a place to live are at least as important”.*¹²⁴ It also became evident that the poor employ multiple livelihood strategies and, in a context where farming alone could not offer adequate standards of living, individuals continued to combine a number of livelihood activities.¹²⁵ For this reason, it is important to ensure that the land reform programme does not undercut the diversified survival strategies of communal households as it did in, for example, post-independence Zimbabwe. All management practices (land use, crop choice and husbandry methods) were mandated by the Zimbabwean government, under

¹²⁰ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

¹²¹ Swanby, “Communal Property Associations: The Jury is Still Out”, *Land and Rural Digest*, July/August 2001

¹²² Agricultural Extension Officer quoted in Kretzman S, “Eastern Cape farmers: some big chances, some big parties, but no big plans”, *Land and Rural Digest*, 9, July/August, 2001

¹²³ Cliffe L, “Land Reform in South Africa”, *Review of African Political Economy*, No. 84, 2000

¹²⁴ Turner S & Ibsen H, “Land and agrarian reform in South Africa: A Status Report”, Occasional Paper Series, PLAAS, UWC, November, 2000, p. 17

¹²⁵ These very lessons around the livelihood strategies of the rural poor that began to emerge during the implementation of the Redistribution Programme, have been discarded by the policy drafters of the new Land Redistribution for Agricultural Development Programme.

threat of expulsion and, resettled families were prohibited from engaging in non-agricultural employment.¹²⁶

The relative failure of the South African Redistribution Programme in the late 1990s can, in part, be explained by the lack of post-settlement support and the fact that beneficiaries often did not have the skills, organisational resources or capital to farm effectively. In some cases, (as was the case in Latin America) land was resold shortly after purchase.¹²⁷ In other cases, beneficiaries left the resettlement projects (Labuschagneskraal) or tried “absentee farming” (Solane) that resulted in inefficient agricultural production.

Many of the agriculturally most successful redistribution projects were equity schemes¹²⁸ or projects where partnerships were established with skilled farmers. The Department of Land Affairs, however, has failed to take advantage of willingness amongst some experienced farmers to assist. *“I staffed a programme in 1999, where there were 800 farmers in Mpumalanga who were willing to help, but the project just got lost somewhere in Pretoria”*.¹²⁹ In another example, a group of farmers in Stormberg in the Eastern Cape, who used the Settlement/Land Acquisition Grant to purchase a farm and are now farming commercially, called the neighbouring white farmer (Van den Berg), “*God sent*”. Van den Berg was contracted by the DLA to assist the resettled community and is continuing to do so after the contract has expired.¹³⁰

Furthermore, in many cases the redistributed land was not suitable for agricultural production. Market-based redistribution has meant that what is available and affordable is agriculturally marginal land. The most easily available land areas were maize or cattle farms on the South African highveld, which entailed high production costs.¹³¹ Deininger and May¹³² found that many land reform projects were implemented in areas where theft, land invasions and violence were widespread. (In a survey they conducted in 1999, the authors found that 61% of the land reform projects implemented in KwaZulu-Natal were in volatile areas such as those described above. The respective figures for the Northern Cape and the North West provinces were 36% and 28%.)

In other cases, the pieces of land allocated to individuals or communities were either too small, or not suitable, to support commercial production. A community near Estcourt, for example, purchased the 151-hectare farm, Misgunst, in 1997 with the Settlement/Land Acquisition Grant. The farm had low agricultural potential and was underdeveloped. The farm lacks fencing, reticulated water, electricity, telephones and a sewerage system. Roads are only passable in the dry seasons. Only 22 hectares are suitable for crop

¹²⁶ Bratton M, “Land Redistribution 1980 to 1990”, *Zimbabwe’s Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

¹²⁷ Cook L, “Farm Settlement scheme reviewed”, *Business Day*, January 15, 1999

¹²⁸ See chapter 9 on Tenure Reform and Farm Workers

¹²⁹ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

¹³⁰ *Mail & Guardian*, “Helping hands”, October 18 – 24, 2002

¹³¹ Lodge T, *Politics in South Africa*, David Phillip, Cape Town, 2002, p. 75

¹³² Deininger K & May J, “Can there be growth with equity? An initial assessment of land reform in South Africa”, World Bank Policy Research Working Paper 2451, September 2000

production and irrigation is not recommended because the soil is impermeable and there is an acute water shortage. Most of the land can be used for grazing but only if two additional watering points are constructed to allow the rotational grazing that is a necessary practice in the area. In other words, neither extensive livestock production, nor low-input cropping offer any meaningful income or employment opportunities.¹³³

These problems were amplified by the fact that the Department of Land Affairs under Derek Hanekom paid insufficient attention to the development of black commercial farming. It is difficult to determine to what extent agricultural production has taken place on redistribution projects, partly because of bad monitoring and evaluation by the Department of Land Affairs. The 1999 Quality of Life Survey revealed that out of 87 projects surveyed, only 35 had any kind of communal production.¹³⁴ Overall, little progress is being made by land reform beneficiaries toward earning a significant income from agricultural production.¹³⁵

3.8. Communal Production

The Redistribution Programme made provision for group ownership but not for group/communal production. This is illustrated by the lack of legal provision for subdivision of redistributed land. At the same time, the DLA seems to have (consciously or unconsciously) created the impression that communities should produce communally if they manage and purchase land communally.¹³⁶ *“Thus, within the market-led approach, there is a hidden presumption for co-operative production”.*¹³⁷ History and international experience, however, indicates that co-operative production is notoriously difficult and inefficient. In a context where beneficiaries have little access to post-settlement support and the links between community members are often tenuous, the problems of co-operative farming are augmented. What follows are some examples of co-operative farming and the problems that can emerge from these systems.

Zimbabwe's post-independence land reform programme included a range of four different resettlement models (A, B, C & D). On Model A schemes, commercial farms were subdivided into five-hectare plots that were allocated to individual households on the basis of a renewable five-year lease based on performance as well as communal grazing areas. The majority of resettlement schemes fell into the Model A category (31 000 families on 2.1 million hectares) and model A farms had a relatively good agricultural productivity record.¹³⁸ On Model B resettlement schemes large farms were farmed collectively as a single unit. Model B schemes were the least successful. Of a

¹³³ Entire case study from Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

¹³⁴ DLA, Quality of Life Report, Land Info, 6,1,1999

¹³⁵ Lodge T, *Politics in South Africa*, David Phillip, Cape Town, 2002, p. 75 & 76. Also see Cliffe's study on Cornfields in Cliffe L, "Land Reform in South Africa", *Review of African Political Economy*, No. 84, 2000

¹³⁶ Interview with Tom Lebert (Deputy Director of National Land Committee), April 25, 2001

¹³⁷ Cliffe L, "Land Reform in South Africa", *Review of African Political Economy*, No. 84, 2000

¹³⁸ Moyo S, "The Land Question in Zimbabwe", *Zimbabwe: The Political Economy of Transition 1980 – 1986*, Mandaza I (Ed.), Codesria, 1987

total of 81 co-operative schemes, not one had been successful by 1991.¹³⁹ Part of the failure of Model B schemes can be explained by the lack of access to infrastructure and the internal social conflicts that emerged on these schemes.¹⁴⁰

Model C schemes combined a core commercial enterprise (managed by the state) with individual smallholdings. Despite state investment in mechanisation and irrigation, many of these farms continued to show low productivity figures, partly as a result of the fact that many were located on agriculturally marginal land. Model D schemes featured individual tenure, less infrastructure than in Model A schemes and planned rotational grazing on fenced rangeland.¹⁴¹ Individual farming options were not only more successful in terms of agricultural production, but were also more popular. While all the places in Model A schemes were filled, more than half the places on Model B schemes remained vacant.¹⁴² Irrespective of the production system, failures in all models were partly the result of a lack of skills and experience, as well as, lack of access to support services and infrastructure on the part of newly established producers.

Following independence from Portugal in 1975, Mozambique's Frelimo government embarked on a programme of land and agrarian reform based on nationalisation and the creation of state-farms (i.e. collective production). These farms were often ill-managed and, in the absence of agricultural training and post-settlement support, agricultural productivity began to dwindle. By the early 1980s, agricultural production had virtually collapsed and state farms ceased to produce or market any significant surpluses. Consequently, in 1984, the Mozambican government embarked on a programme of privatisation, emphasising small-scale farming.¹⁴³

Tanzanian attempts at collectivisation were equally unsuccessful. The first post-independence land reform programme was introduced in 1962, under the leadership of President Nyerere, who decided to base his economic development strategy primarily on the peasantry. The foundations of this programme were the 1962 Land Tenure Amendment Act and the Operation Villages programme. The Land Tenure Amendment Act placed all land under state control and abolished individual freehold titles. Through the Operation Villages Programme, the rural population (living in scattered homesteads) was "encouraged" to resettle in planned villages. Hyden¹⁴⁴ argues that Nyerere's government wanted to transform agricultural production but realised that intervention would be resisted. Consequently, the government set up new farms and recruited farmers willing to go there. The anticipated benefits of resettlement in planned villages included cheaper social and agricultural services, greater government control over production and

¹³⁹ Cloete F, "Comparative lessons for land reform in South Africa", *Africa Insight*, Vol.22, No.4, 1992

¹⁴⁰ Rukuni M, "The Evolution of Agricultural Policy", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

¹⁴¹ Bratton M, "Land Redistribution 1980 to 1990", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

¹⁴² Bratton M, "Land Redistribution 1980 to 1990", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

¹⁴³ Tanner C, "The Land Question in Mozambique: Elements for Discussion", Land Tenure Service, FAO Rural Development Division, December 18, 1996

¹⁴⁴ Hyden G, *Beyond Ujamaa in Tanzania*, Heineman, London, 1980, p. 71

the belief that taking people out of their traditional social environment would make them “more open to change”.¹⁴⁵

The first “voluntary” phase of the Operation Villages programme was slow to take-off. Partly because of unwillingness among potential beneficiaries to relocate, partly because the proposed village system was alien to traditional and cultural values and partly because the government failed to embark on a programme to provide information and promote understanding of the programme.¹⁴⁶ In addition, there was no clear implementation strategy and many officials responsible for land reform on a district/regional level were unsure about implementation procedures.¹⁴⁷ Settling was a difficult process for the beneficiaries themselves. Many were used to different soils and climates, most were unfamiliar with the machinery and technology to be used on these farms, illnesses were common and because people in settlements did not know each other, social organisation was “fraught with tension”.¹⁴⁸ Nevertheless, approximately 30 planned villages were established immediately after independence, and despite the failure of established villages to either increase or maintain current levels of agricultural production, the Tanzanian government adopted an accelerated programme for the creation of planned villages in 1967 (contained in the Arusha Declaration).

The Arusha Declaration, on the 5th of February 1967, announced the nationalisation of the economy and indicated the government’s desire to give priority to rural development. In this regard, it launched the concept of Ujamaa (i.e. familyhood) implying the creation of communal village production units.¹⁴⁹ The number of ujamaa villages increased to 4 484 in 1971 and exceeded 5 500 in 1972. The programme of forced communalism began in 1973 and approximately five million people were moved (some estimates are as high as 10 million).¹⁵⁰ By 1974, coercion had become the principle method for the establishment of ujamaa villages.¹⁵¹ In 1975, an Act was passed legislating that ujamaa villages would be multi-purpose co-operative societies.¹⁵² Aside from agricultural stagnation (and in some cases decreases in productivity as indicated by increases in food imports in 1974/75), the sudden influx of people into confined areas as well as mass relocation had a negative impact on social cohesion and resources, including water, health services and educational facilities. In some cases, people were moved from areas where they had access to resources, rudimentary services and infrastructure to areas

¹⁴⁵ Hyden G, Beyond Ujamaa in Tanzania, Heineman, London, 1980, p. 71

¹⁴⁶ For an alternative interpretations of the apparent failure of agricultural production in Tanzania see Sender J & Sheila S, Poverty, Class and Gender in Rural Africa: A Tanzanian Case Study, Routledge, New York, 1990, p. 1-13. The authors argue that most of the empirical studies conducted in Tanzania have been based on the assumption that a homogenous category of small-scale/ peasant producers exists in Tanzania. Since this is not the case, much of the information and statistics generated have been inaccurate.

¹⁴⁷ Mwapachu J.V, “Operation Planned Villages in Rural Tanzania: A Revolutionary Strategy for Development”, African Socialism in Practice, Coulson A (Ed.), Russel Press Ltd., Nottingham, 1979

¹⁴⁸ Hyden G, Beyond Ujamaa in Tanzania, Heineman, London, 1980, p. 72

¹⁴⁹ Hyden G, Beyond Ujamaa in Tanzania, Heineman, London, 1980, p. 96

¹⁵⁰ Hyden G, Beyond Ujamaa in Tanzania, Heineman, London, 1980, p. 129

¹⁵¹ For a more detailed history of the Ujamaa villages in Tanzania see Von Freyhold M, Ujamaa Villages in Tanzania: Analysis of a Social Experiment, Monthly Review Press, New York and London, 1979

¹⁵² Banyikwa W.F, “Construction on Subsistence Use of Natural Resources in Tanzania”, Alternative Strategies for Africa Volume 2, Suliman M (Ed.), IFAA, London, 1991

where services and infrastructure had not yet been provided. The programme was further undermined by the usual host of problems surrounding land reform, namely, poor processes for beneficiary selection, excessive bureaucracy, inappropriate or lack of incentive structures to produce, lack of human and financial resources and poor co-ordination and co-operation between relevant government departments and agencies. As was the case in South Africa and Zimbabwe, lack of co-ordination and integration between government departments led to duplication of activities in some cases and the total lack of service provision and project implementation in others. By 1980, large-scale private enterprises were still producing a large percentage of Tanzania's agricultural export value (50% of sisal, 70% of tea, 95% of wheat, 85% of sugar and 50% of rice).¹⁵³

Huge numbers of collectives were established in Latin America between 1960 and 1980 – notably Mexico, Peru and Chile. Virtually all of these co-operatives eventually collapsed. The two basic reasons for failure are lack of post-settlement support and ineffective incentive structures. In Peru, co-operatives accounted for 63.9% of redistributed land, individual holdings for 4.3% and communities/groups owned 31.5%.¹⁵⁴ Low productivity and inefficient decision making on collective farms led to the introduction of a set of subdivision laws in 1980. These laws allowed the subdivision of collective farms into smaller, individually owned farms.

The Mexican land reform programmes of the 1920s divided expropriated land into small privately owned plots, ejidos and collective farms. In the case of ejidos, communities owned land in common, while each family was assigned a plot that they could neither rent nor sell but which they could farm individually.¹⁵⁵ By 1940, the ejidal sector had increased from 6.3% of agricultural land and 13.4% of all cropland in 1930, to 22.5% of all agricultural land and 47.4% of all cropland.¹⁵⁶ A slow process of land reform and low agricultural productivity, however, resulted in a change of emphasis (from collective to individual production) between 1940 and 1960.¹⁵⁷ The Mexican government began to dismantle collective ejidos in 1947 (ejidos that had been organised on an individual basis from the outset were not affected by individualisation policies). In 1960, a revised land reform programme was introduced, which included a reduction of the amount of land redistributed, programmes to increase agricultural productivity, investments in human resource development and the introduction of the Agrarian Code that legislated the process of granting individual title to members of collective ejidos.¹⁵⁸

¹⁵³ Mbilinyi M, "Restructuring Gender and Agriculture in Tanzania", African Perspectives on Development, Himmelstand U, Kinyanjui K & Mburugu E (Eds.), James Currey Ltd, London, 1994. Also see Sender J & Sheila S, Poverty, Class and Gender in Rural Africa: A Tanzanian Case Study, Routledge, New York, 1990

¹⁵⁴ Lastarria-Cornhiels, "Agrarian Reforms of the 1960's and 1970's in Peru", Searching for Agrarian Reform in Latin America, Thiesenhusen W.C (Ed.), Unwin Hyman, London, 1989

¹⁵⁵ Hodges D & Grandy R, "Soldier, Priest and Landlord", Mexico 1910 - 1976: Reform or Revolution, Zed Press, London, 1979

¹⁵⁶ Markiewicz D, "Agrarian Structure, politics and economic development", The Mexican Revolution and the Limits of Agrarian Reform 1915 - 1946, Lynne Rienner Publishers, London, 1993

¹⁵⁷ For figures on Mexican agricultural production see chapter three.

¹⁵⁸ Cline F.H, "Agrarianism: A Basic Revolutionary Goal", Mexico: Revolution to Evolution 1940 -1960, Oxford University Press, London, 1962

In Chile, one of the goals of the Allende administration was to have 80% of agricultural land farmed collectively, while the rest was assigned individually. According to Schuh¹⁵⁹ this resulted in a distortion of incentives and a reduction of agricultural output, as members of collectives concentrated on their own plots - i.e. labour, investments and management skills were misdirected at a small portion of overall agricultural land.

Chinese land reform represents an interesting example as land ownership in China swung several times between individual and collective systems of production (reflecting the balance of power and interest within the ruling party). When Mao Tse-Tung's socialist government came to power in 1949, 89.4% of the Chinese population lived in rural areas. The first phase of Mao's land reform programme took place from 1949 to 1955. Land was expropriated and redistributed to former tenants to be farmed collectively. Other elements of the programme included an emphasis on mechanised production, labour-intensive policies and human resource development. There were three basic types of collectives.¹⁶⁰ Firstly, mutual aid teams where four or five families would pool their resources, but decision making remained the responsibility of individual households. Secondly, elementary co-operatives where 20 to 30 households would pool their resources and share the collective income. Thirdly, advanced co-operatives consisting of between 150 and 200 households and where the means of production were collectivised and remuneration was based on labour contribution (i.e. a system of work points). By the end of 1956, 88% of China's rural households had been formed into one of these types of collectives.¹⁶¹

It was at this stage, however, that defects in the collective farming system became apparent (indicated by declines in grain and sugar production). Consequently, instructions were given in September 1957 to dissolve the largest collectives and in 1962 to transfer decision-making to smaller groups.¹⁶² An agricultural crisis between 1959 and 1961, during which agricultural production fell by 14% in 1959, 12% in 1960 and another 2.5% in 1961¹⁶³, as well as the dominance of the "pro-household production system" members of the ruling party contributed to these changes. Nevertheless, opposition to the household responsibility system remained strong in government circles and when Mao staged a political "comeback" in August 1962 (culminating in the 1966 Cultural Revolution) many supporters of the household responsibility system were murdered.¹⁶⁴ By 1963, the household responsibility system had again been effectively suppressed.

¹⁵⁹ Schuh E, "Approaches to Basic Needs and to Equity that Distort Incentives in Agriculture", Distortions of Agricultural Incentives, Schultz T.W (Ed.), Indiana Press, London, 1978

¹⁶⁰ Three types of collectives from Lin Y.Z, "Institutional Reform and Chinese Agriculture: Retrospect and Prospect", Economic Reform in China: Problems and Prospects, Dorn J.A & Xi W (Eds.), University of Chicago Press, Chicago, 1989

¹⁶¹ Selden M, "Co-operation and Conflict: Co-operatives and Collective Formation in China's Countryside", The Political Economy of Chinese Socialism, Sharpe M.E, Armonk, 1988

¹⁶² Fewsmith J, "The Emergence of Rural Reform", Dilemmas of Reform in China, M.E Sharpe Incorporated, New York, 1994

¹⁶³ Lin Y.Z, "Institutional Reform and Chinese Agriculture: Retrospect and Prospect", Economic Reform in China: Problems and Prospects, Dorn J.A & Xi W (Eds.), University of Chicago Press, Chicago, 1989

¹⁶⁴ Becker J, Hungry Ghosts: China's Secret Famine, John Murray, London, 1996

It was only after the death of Mao, in 1978, that the new leadership introduced profound changes in the agricultural production structures of rural China. The new policy aimed to increase production incentives by giving production teams more decision-making power, by reintroducing private property, by allowing members of collectives to sell produce above a certain quota for personal income, by setting higher prices for agricultural produce and state assistance to the poor.¹⁶⁵ These changes resulted in a 45% increase in agricultural production, higher income levels for peasant producers and the development of rural industry.¹⁶⁶

Cuban land reform probably represents to only example of successful co-operative production. There are three principle factors that contributed to this success. Firstly, large-scale and forced expropriation and secondly, extensive government support for beneficiaries and investment in agriculture. Thirdly, agreements with the Soviet Union guaranteed markets for agricultural produce. The Cuban land reform programme was introduced in 1959 with two objectives – greater equality in land ownership and increased agricultural production. Three types of land ownership were accommodated in the Cuban land reform programme, privately owned farms, production co-operatives and state-owned (collective) farms. By 1963, co-operatives accounted for 6% of agricultural land in Cuba, while state farms accounted for 83%.¹⁶⁷

One of the crucial problems that emerge in almost all experiences of collective or co-operative production is defective incentive structures (e.g. Chile) and related to this, issues of monitoring and “free riding”. In China, the system of work points (where the total number of hours worked by a team would be divided by the number of members to determine compensation) indicates not only the inevitable “free rider” problem, but also the difficulties of monitoring, particularly in rural areas. *“The monitoring of agricultural operations is particularly difficult because of agricultural production’s sequential nature and spatial dimension. In agricultural production, the process typically spans several months over several acres of land. Farming also required peasants to shift from one job to another throughout the productive season. In general, the quality of work provided by a peasant does not become apparent until harvest time. Furthermore, it is impossible to determine each individual’s contribution by simply observing the outputs because nature causes random production”*.¹⁶⁸

These case studies, therefore, do not indicate that it is impossible for group or communal based production systems to achieve sustainable and high rates of productivity but they do indicate that it is extremely difficult. South Africa has already experienced this. As a result, the new minister of Agriculture and Land Affairs has continued a policy shift

¹⁶⁵ El-Ghonemy M.R, "China", The Political Economy of Rural Poverty, Routledge, London, 1990

¹⁶⁶ Fewsmith J, "The Emergence of Rural Reform", Dilemmas of Reform in China, M.E Sharpe Incorporated, New York, 1994

¹⁶⁷ El-Ghonemy M.R, "Cuba", The Political Economy of Rural Poverty, Routledge, London, 1990 & for figures on agricultural production see chapter three. Also see Thomas H, Cuba: The Pursuit of Freedom, Picador, London, 2001 for a broader history of government in Cuba as well as a discussion on the accuracy of production statistics in Cuba.

¹⁶⁸ Fewsmith J, "The Emergence of Rural Reform", Dilemmas of Reform in China, M.E Sharpe Incorporated, New York, 1994

away from the communal and group settlement schemes¹⁶⁹ (a consequence of the small Settlement/Land Acquisition Grant) attempted under the previous ministry and referred to, by the media, as “Derek’s dumping grounds”.¹⁷⁰

3.9 Excessive Bureaucracy

The grants (and market-based), demand-driven approach to land redistribution was, in part, supposed to reduce the government’s role in land reform to “facilitative”. There would not be a large-scale, state-led redistribution programme or a government agency acquiring and distributing large land areas in a spatially structured way, as was the case in many land reform programmes in Africa, including Kenya and Tanzania. According to Thiesenhusen¹⁷¹, one of the ironies of land and agrarian reform is that successful reform tends to require a large concentration of power and a strong consensus among different classes and interest groups. Land and agrarian reform programmes, therefore, have a tendency to become overly bureaucratic and centralised. Similarly, the South African approach to redistribution did not prevent the emergence of a sizeable bureaucracy. At the same time, the facilitative approach prevented the emergence of an agency that could “*institutionalise the lessons of the experience that was accruing and the build-up of a cadre of professionals that could perform the many and complex tasks required*”.¹⁷²

Overall, the implementation structure of the Redistribution Programme was highly centralised. The Department of Land Affairs aimed to undertake the entire implementation process, despite empirical evidence¹⁷³ from Latin America that excessive bureaucracy results in significant delays in redistribution processes. The lengthy bureaucratic procedures often meant that projects had to be approved by 17 or 18 people, including the Minister of Land Affairs and Agriculture, before the grant was transferred and the purchase could take place.¹⁷⁴ Some estimate that the process “*from start to finish took on average 24 months*”.¹⁷⁵ The process of the development of a business plan and the formation of a Communal Property Association alone, on average, took three to six months.¹⁷⁶ For example, the Solane community started the process of land acquisition in 1995 and land was only transferred in mid 1997. The Sibongile Trust approached the DLA in 1994 and the grant was only transferred in August 1997. A community from

¹⁶⁹ For more on the processes and actors that influenced this “shift” see chapter five.

¹⁷⁰ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002.

¹⁷¹ Thiesenhusen W.C, “Conclusion”, Searching for Agrarian Reform in Latin America, Thiesenhusen W.C, (Ed.), Unwin Hyman, London, 1989

¹⁷² Cliffe L, “Land Reform in South Africa”, Review of African Political Economy, No. 84, 2000

¹⁷³ See Thiesenhusen W.C, “Conclusion”, Searching for Agrarian Reform in Latin America, Thiesenhusen W.C, (Ed.), Unwin Hyman, London, 1989

¹⁷⁴ For a detailed account of this procedure see the section in this chapter on the Settlement/Land Acquisition Grant.

¹⁷⁵ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

¹⁷⁶ Kretzman S, “Eastern Cape farmers: some big chances, some big parties, but no big plans”, Land and Rural Digest, 9, July/August, 2001

Botleng near Delmas established the Rekgutlile Trust in November 1996 to acquire the farm Rietvallei. The farm was only purchased in November 1998.¹⁷⁷

This kind of bureaucracy is particularly problematic in the context of a market-based redistribution programme, where *“willing sellers are not going to sit around indefinitely waiting for sales to go through”*.¹⁷⁸ As Dave Husy explains, *“I was involved in a case where a community negotiated an excellent deal with a willing seller, who knocked 25% of the purchase price. The community applied to the DLA for assistance and made an offer to purchase, which legally lasts only three months. Six months later, the community had heard nothing from the DLA. The sale fell through. They made an offer on a second more expensive piece of land and, for the same reasons, the sale fell through. They finally made an offer on a third piece of land, which was more expensive and of lower quality. They finally got approval, for this third farm, six months later”*.¹⁷⁹

The Zimbabwean land reform programme is a further example of the negative relationship between market-based land reform and excessive bureaucracy. The Zimbabwean programme has been characterised by overly bureaucratic and inefficient procedures for redistribution. For example, after eight years of land reform, Zimbabwe still did not have an accurate land registry.

Related to the above is the legalistic approach to land reform followed in Zimbabwe. The legalistic approach, as was the case in Mexico, resulted in long and expensive legal battles, draining government funds that could perhaps have been better used for resettlement. Many of the disputes revolved around issues such as, what is fair compensation within a reasonable time and the merits of particular farms being targeted for acquisition.¹⁸⁰ South Africa has established a similar procedure in terms of the Land Claims Court, which as indicated in the previous chapter, has resulted in an excruciatingly slow process of restitution. The fact that the 1992 Land Acquisition Act's expropriation legislation could be contested in court also increased the notoriously strained relationship between the Zimbabwean government and the judiciary and opened opportunities for corruption as bureaucrats and politicians began to acquire land.¹⁸¹

A final aspect that contributed to the bureaucratic nature of the Zimbabwean redistribution process was the criteria for resettlement set by the Zimbabwean government in the 1980s. *“There were strict selection criteria for beneficiaries, a minimum amount of infrastructure had to be in place before resettlement could begin and land had to be demarcated completely. This meant that land took very long to be ready for resettlement and increased costs”*.¹⁸²

Excessive bureaucracy is an indication that the needs and demands of potential beneficiaries of land reform and/or the landless have not been sufficiently incorporated

¹⁷⁷ Nkwanyane T, "Plaaswerkers span saam, koop eie plaas", *Beeld*, December 10, 1998

¹⁷⁸ Interview with Tom Lebert (Deputy Director of National Land Committee), April 25, 2001

¹⁷⁹ Interview with Dave Husy (Former Deputy Director of the NLC), May 31, 2001

¹⁸⁰ Goncalves F, "The Politics of Land", *Southern African Economist*, January 1998

¹⁸¹ *Land and Rural Digest*, "Zimbabwe's frustrations", July/August, 2000

¹⁸² *Land and Rural Digest*, "Zimbabwe's frustrations", July/August, 2000

into policy formulation and implementation procedures. In Brazil, for example, an overly bureaucratic and paternalistic land reform programme not only led to a slow process of reform but also meant that land reform beneficiaries, who were not adequately consulted, were resettled on inappropriately sized and located plots and received little or no post-settlement support.¹⁸³ In Zimbabwe, one of the major reasons why organisational and technocratic decision making continues to dominate the redistribution programme, is the fact that small-scale farmers and landless rural people have been unable (until 2000) to organise and bring sufficient political pressure to bear on the government.¹⁸⁴

The very nature of bureaucratic procedure can result in the exclusion of particularly marginalised or poor communities and individuals. In Mexico, the redistribution and beneficiary selection process was based on a system of grants similar to South Africa. Peasant leagues, created in every Mexican state in 1935, could petition the government for land. Legislation stipulated that such a petition should justify a league's need for land as well as set out the proposed use of the land. If such a petition were successful, the Mexican government would expropriate the land, redistribute it to claimants and compensate the former owners. Nevertheless, landowners maintained their economic and political power and only a limited amount of land was redistributed under this system.¹⁸⁵

In Chile, it was a stated aim of the Allende administration that beneficiaries would participate directly in the formulation and implementation of land reform policies through the creation of campesino councils. All state agencies involved in land reform would have elected campesino representatives on their boards. However, as a result of numerous legal obstacles and lack of clarity regarding the role of these campesino councils, they played a limited role. Beneficiary participation is a crucial factor determining the success of a land/agrarian reform programme. Although useful, rural councils/leagues are not always the most appropriate institutions for beneficiary participation. The nature of such institutions presupposes a level of organisation and familiarity with representative politics that may, or may not, exist in rural communities. Furthermore, the most marginalised and the very poor, by definition, do not have access to these institutions. Non-governmental organisations, for example, often represent groups with established organisational capacity. Factors like illiteracy and geographical isolation inhibit beneficiary participation. In South Africa, requirements to complete complicated land claim forms and draw up business plans, exclude marginalised individuals and communities.

In the late 1990s, the Department of Land Affairs embarked on a "decentralisation drive", partly to address this excessive implementation bureaucracy.

3.10 Inappropriate targeting: not sufficiently accounting for socio-economic differentiation

¹⁸³ Barber S, "Colombia holds answers for Zimbabwe", *Business Day*, December 18, 1997

¹⁸⁴ Herbst J, "The Dilemmas of Land Policy in Zimbabwe", *Africa Insight*, Vol.21, No.4, 1991

¹⁸⁵ Cline F.H, "Agrarianism: A Basic Revolutionary Goal", *Mexico: Revolution to Evolution 1940 -1960*, Oxford University Press, London, 1962

The commitment in the White Paper, to “*prioritise work with organised groups of landless people*”, resulted in the exclusion of the most marginalised communities from the Redistribution Programme. “Organised” communities tended to be those with links to non-governmental organisations - established during the struggle against forced removals. These are communities that already have access to assistance and, in some cases, financial resources. More broadly, it appears that the beneficiary communities were excluded from real participation in the decision-making processes of the very technical and bureaucratic Redistribution Programme. The exclusion of particular groups from the benefits of land reform is a common characteristic of land reform programmes and carries with it the potential for future conflict and violence.

Under the military regime in Peru, for example, the majority of redistributed land went to former hacienda workers, while Indian communities (representing 31% of beneficiaries) received only 8% of the redistributed land.¹⁸⁶

Land reform in Eritrea provides a good example of the conflicts that can emerge, if particular groups are excluded from the benefits of land reform. Eritrea won its independence (officially declared in 1993) from Ethiopia in 1991, following a 30-year struggle. In March 1993, the Eritrean Land Commission began drafting a land reform policy that sought to address the problematic land issue. Problems regarding land claims increased in this period, as former soldiers returned to their home areas to claim their land. The land reform policy that emerged, emphasised tenure security and agricultural production, while neglecting pastoral land rights. Although an estimated 60% of Eritreans practised sedentarised agriculture, 35% practised a mix of cultivation and pastoralism, and 5% (predominantly Muslim) were engaged in pastoral practices alone.¹⁸⁷ Therefore, approximately 40% of the population’s needs were not taken into account. Settlement also reduced the amount of land available for pastoral activity, leading to an increased demand for land and, eventually, conflict over land access.¹⁸⁸

3.11. Consequences of a demand-driven programme

During the land reform policy development process in the early to mid 1990s, World Bank representatives were arguing (see chapter five) for a demand-led redistribution programme. These representatives argued that a demand-driven approach to redistribution would ensure that land would go to those who “most want it” and those “most able to make productive use of it”. In reality, demand-led targeting has favoured those members of rural society who already had access to a relatively “strong asset-base”, while excluding the poorest members of rural society from the benefits of land redistribution.¹⁸⁹

¹⁸⁶ Lastarria-Cornhiels, “Agrarian Reforms of the 1960’s and 1970’s in Peru”, Searching for Agrarian Reform in Latin America, Thiesenhusen W.C (Ed.), Unwin Hyman, London, 1989

¹⁸⁷ Fullerton Joireman S, “The Minefield of Land Reform: Comments on the Eritrean Land Proclamation”, African Affairs, Vol.95, 1996

¹⁸⁸ Fullerton Joireman S, “The Minefield of Land Reform: Comments on the Eritrean Land Proclamation”, African Affairs, Vol.95, 1996

¹⁸⁹ See Zimmerman F J, “Barriers to participation of the poor in South Africa’s land redistribution”, World Development, 28(8), 2000 & Lahiff E, “The Impact of Land Reform Policy in the Northern Province”, in

A study conducted by Lahiff¹⁹⁰ serves to illustrate the point. Lahiff conducted a study in three Transitional Local Councils (Nzhelele/Tshipise, Elim/Tshitale-Hlanganani and Greater Louis Trichardt) to determine the impact of land reform (redistribution) on a number of very different communities (located in Tshikota, Manyamane, Tshipise and Hoxani). Lahiff found that the Provincial Office of the Department of Land Affairs had failed to communicate its policies to the local structures and the local population in all four these localities – to the extent that knowledge of land reform among the local population, as well as within local government structures, was “non-existent”.¹⁹¹ Furthermore, in May 1999, the Department of Land Affairs still had only one office in the Northern Province and the Regional Land Claims Commission had none.

Lahiff points out that this has clear negative implications for a “demand-driven” land redistribution programme. The inaccessibility of the DLA, coupled with the lack of information pertaining to land reform, makes it very difficult for potential beneficiaries to make their “demands” known. In addition, how can the government “respond” if it is uninformed?

Lahiff points to another negative consequence of this “lack of information”. In the localities (e.g. Manyamane) where land reform projects were implemented, inadequate information and consultation resulted in bad planning and inappropriate projects that are likely to fail.¹⁹²

3.12. Land Redistribution does not benefit the poor

In an attempt to address the shortcomings of the demand-led redistribution programme – i.e. in an attempt to ensure that the poorest sectors of rural society participate in the redistribution programme – the Department of Land Affairs identified (in the 1997 White Paper) target groups. These are “women”, the “poor” and the “landless”.

Zimmerman¹⁹³ argues that despite the emphasis on these target groups, the poor are not likely to participate in, or benefit from, the land redistribution programme, unless they receive significant support from the government and private sector. Further, without such support, the land redistribution programme may not only not alleviate poverty, but may indeed “exacerbate rural inequalities”. Support should include programmes for credit, insurance, and extension and basic services. The reasons why poor people are not likely

Cousins B (ed.), At the Crossroads: Land and Agrarian Reform in South Africa into the 21st Century, PLAAS, UWC, 2000

¹⁹⁰ Lahiff E, “The Impact of Land Reform Policy in the Northern Province”, in Cousins B (ed.), At the Crossroads: Land and Agrarian Reform in South Africa into the 21st Century, PLAAS, UWC, 2000

¹⁹¹ Lahiff E, “The Impact of Land Reform Policy in the Northern Province”, in Cousins B (ed.), At the Crossroads: Land and Agrarian Reform in South Africa into the 21st Century, PLAAS, UWC, 2000, p. 96

¹⁹² Lahiff E, “The Impact of Land Reform Policy in the Northern Province”, in Cousins B (ed.), At the Crossroads: Land and Agrarian Reform in South Africa into the 21st Century, PLAAS, UWC, 2000, p. 99

¹⁹³ Zimmerman F J, “Barriers to participation of the poor in South Africa’s land redistribution”, World Development, 28(8), 2000. This argument has also been made throughout this thesis – i.e. the importance of support for land reform beneficiaries and emergent farmers.

to benefit (according to Zimmerman) include; (a) poor people are less likely to move the distance that is sometimes required. (b) Poor people have less labour available for farming. (c) Poor people are less able to afford the redistribution programmes' up-front costs. (d) Poor people have fewer farming-specific skills, and (e) poor people have less capacity to cope with agricultural risk. In other words, an unemployed, poor, illiterate young single mother of four small children will not have access to the required time, labour, skills, or resources, nor will she have the necessary capacity for risk taking, to participate in or benefit from the land redistribution programme. More broadly, the demand-driven approach (see section 3.11.) and the market-based principles of the redistribution programme (see section 6.3) ensure that "only beneficiaries who can initiate the administrative process and have some start-up resources could access the Redistribution Programme". In addition, Zimmerman points out that approximately three million people live in South Africa's rural areas and only 700 000 of them (using generous figures) will ever benefit from land reform.¹⁹⁴

4. The Land Redistribution for Agricultural Development Programme (LRAD)

Partly as a result of the problems outlined above, when Thoko Didiza became the Minister of Agriculture and Land Affairs in 1999, the Ministry immediately embarked on a policy review and placed a moratorium on land redistribution projects. The policy revision included the re-evaluation of the Settlement/Land Acquisition Grant, the structure of the Restitution Commission and the administration of land in the former homelands. Many critics argued that the moratorium led to a two-year stagnation in the redistribution process. Proponents argued that the moratorium provided an opportunity to address the backlog of redistribution projects as well as to develop a positive policy response to the shortcomings of the Redistribution Programme. By February 2000, when the moratorium was lifted, significant "catching up with this backlog" had been achieved.¹⁹⁵

As Didiza explained to the National Council of Provinces' Land Committee, "*there was no point in continuously accepting projects when you do not know what you have to do. The [Redistribution] programme was easily abused, that is when you get a rent-a-crowd. The moratorium has helped us to establish real needs and tighten the screws. It is important to understand the moratorium in its context, because none of the projects were thrown out of the window. We never said that the projects in the pipeline were not going to be resolved. Some of these processes were finished last year [2000]. [Land reform] must no haunt us years from now where we can say we have settled so many claims but the communities are struggling to survive. The policy review is continuing because, in the land reform mix, you do need assistance for land settlement, agricultural development, commonage needs, subsistence farming and share equity*".¹⁹⁶ The redistribution policy that emerged under Didiza's leadership, accordingly, was more flexible and placed greater emphasis on agricultural development, improving livelihoods, racial equality in terms of land ownership and the provision of post-settlement support.

¹⁹⁴ Zimmerman, p. 1439

¹⁹⁵ Cliffe L, "Land Reform in South Africa", *Review of African Political Economy*, No. 84, 2000

¹⁹⁶ *Mail & Guardian*, "Didiza to revive land bill", October 19 – 25, 2001

The new policy also aimed to address the problems that emerged as a result of the rigid R16 000 Settlement/Land Acquisition Grant. The policy rethink will hopefully lead to a more speedy land redistribution programme.

The Minister made her first policy statement, entitled the Strategic Directions of Land Issues, on February 11, 2000. The revised approach to redistribution had a number of characteristics. The Redistribution policy would shift from a “demand-led” to a “supply-driven” programme, requiring greater state involvement in the land redistribution programme - ranging from land purchase to the provision of post-settlement support. The suggested shift, from demand to supply-driven land reform, has not appeared in later policy statements. Agricultural productivity and commercial viability would become the key criteria for redistribution projects. This was accompanied by a renewed emphasis on agricultural development. Projects that focussed exclusively on settlement would be handed over to the Department of Housing. Didiza emphasised that the objective of the new policy was to “*gradually change the structure of South African agriculture by opening opportunities and thereby creating a significant number of black commercial farmers operating on medium and large-scale*”.¹⁹⁷ The new agricultural policy would aim to increase agricultural productivity and the sector’s contribution to national economic growth, to increase the incomes of the poorest groups in society by creating opportunities for small and medium scale farming, to increase employment opportunities and to improve household food security.¹⁹⁸

Furthermore, the redistribution programme would be decentralised and responsibilities would be delegated to local and provincial governments, as well as, District Councils. The “new” policy commitment to decentralisation can be traced to December 1998, when the Department of Land Affairs under the leadership of former Minister of Agriculture and Land Affairs, Derek Hanekom, committed itself to a district based programme and a move away from large-scale settlement projects. A basic framework for decentralisation was proposed in late 1998, which highlighted the need to build local government capacity. Certain strategies were also proposed at this time. These include plans to construct satellite offices and to develop a dedicated programme to integrate land reform and local government development.¹⁹⁹

Under the new leadership, the department appeared to take a tougher approach with regard to white landowners. The DLA publicly stated that expropriation would be used where necessary and, that landowners might have to be forced to sell their farms at “equitable” rather than “market” rates.²⁰⁰ Also, in May 2000, the ANC issued a statement warning landowners to co-operate with the government and make land available for redistribution or face selling the land at prices determined by the state.²⁰¹ In

¹⁹⁷ Mail & Guardian, “Land affairs fail farm workers”, February 18 – 24, 2000

¹⁹⁸ Bonti-Ankomah S, “Where is the beef in the new agricultural policy?”, Land and Rural Digest, February 1999

¹⁹⁹ For a much more detailed account of the proposed strategies see Levin R, “Towards a National Implementation Strategy for Land Redistribution”, in Cousins B (ed.), At the Crossroads: Land and Agrarian Reform in South Africa into the 21st Century, PLAAS, UWC, 2000

²⁰⁰ Cook L, “White farmers under pressure”, Business Day, June 22, 2000

²⁰¹ Star, “ANC warns SA farmers to aid land redistribution”, May 9, 2000

the meantime, the processing of Settlement/Land Acquisition grants would continue and the entire 2000 redistribution budget would go to projects in the R16 000-grant category.²⁰² These were significant policy changes that, if implemented, would change the direction of the land reform policy. It included altered policy directives, altered legislation, as well as, fundamental changes to the composition of the Department of Land Affairs.

Confusion and uncertainty continued to reign in land reform sectors as various drafts of, what was now called the Integrated Programme for Land Redistribution and Agricultural Development in South Africa (IPLRAD), were released. According to a June 8, 2000 policy statement, the land redistribution programme would aim to the transfer one third of South Africa's agricultural land to beneficiaries in 15 years.²⁰³ The demand-led approach to redistribution was retained in the sense that potential beneficiaries had to identify land themselves and enter into negotiations with sellers.²⁰⁴ The programme would be based on a government grant system (sliding scale), to which beneficiaries would make a significant "own contribution". According to the DLA, the own contribution was "*enough to ensure the commitment of beneficiaries to the project, but not too high to exclude the poor*".²⁰⁵ At the lowest end of the grant scale, someone making a contribution of R5 000 would get a matching grant of R20 000, for a total project cost of R25 000. A contribution of R35 000 would be met by a matching grant of R26 000, for a total project cost of R61 000. A contribution of R145 000 would get a grant of R48 000, for a total project cost of R193 000. The maximum grant was set at R100 000, requiring an own contribution of R405 000 or more. The grant would thus range from 80% at the lowest end of the scale, to 20% at the upper end of the scale.²⁰⁶ Apart from the "own contribution", beneficiaries had to participate in agricultural training, show that they were bona fide farmers and not property speculators, submit business plans to "special committees" in each province and show that the land would be used for agricultural purposes, in order to qualify for grants. The grant could be used to cover expenses such as the acquisition of land, design and transfer fees, working capital, settling-in costs, investment in small-scale infrastructure and other necessary expenditure.

Furthermore, Didiza said in a statement on June 29, 2000 that the DLA would (in the next five years) develop policies and accelerate delivery in the following key areas:

- Implementing a farmer settlement programme that focuses on the youth and women.
- Improving the availability of services to support a diverse set of farming systems.
- Implementing a strategy to support agribusiness development aimed at job creation, black economic empowerment and expanding the income generating opportunities in agriculture by focussing on value adding and the exploitation of the opportunities presented by the diverse indigenous flora.
- The restructuring of irrigation schemes in the former bantustan areas.

²⁰² Didiza T, Budget Speech, *Land Info*, 8,1, 2001

²⁰³ *Mail & Guardian*, June 9 – 14, 2000

²⁰⁴ *Land and Rural Digest*, "Land reform overhaul", July/August, 2000

²⁰⁵ *Land and Rural Digest*, "Land reform overhaul", July/August, 2000

²⁰⁶ *Mail & Guardian*, June 9 – 14, 2000

- The promotion of sustainable agricultural production, by opening opportunities for industrial crop production and, where land is scarce, promoting the introduction of concept food gardens.
- Ensure that the redistribution programme contributes to farmer settlement, poverty eradication and integrated rural development.
- Speed up the land reform process and provide support for those farmers who have already gained access to land in order to become successful farmers.
- Tackle historical imbalances in the agricultural sector by means of a multi-faceted strategy, including redesigning farmer's support services, building capacity in marketing and supporting the development of marketing infrastructure.²⁰⁷
- The programme would also focus on giving students completing farming courses access to land and improving agricultural training and research. In terms of the creation of a black commercial farming class, this would involve the correct location of new training centres, incorporation of existing and new training resources and interaction with different farming organisations like the National African Farmers Union. In addition, the adoption of a curriculum that reflects the changes that have taken place in the farming sector in recent times.²⁰⁸

In October 2000, a further draft of IPLRAD was released clarifying a number of key issues.²⁰⁹ Firstly, the programme would be available to all black South Africans, regardless of income. Secondly, individuals (and not communities) would be eligible for grants. In other words, where a poor household could formerly access a maximum of R16 000, several adult members of the same household could now access R20 000 each – depending on the own contribution. A household with four adult members could, for example, access R80 000. If successful, this could have a major positive impact on poverty alleviation, agricultural production and the sustainability of the land reform programme in South Africa. In addition, beneficiaries of the Settlement/Land Acquisition Grant or IPLRAD could “trade up”, and receive several grants over a period of years as their farming operations expand – up to a grant ceiling of R100 000. A planning grant of a maximum 15% of the total project cost may be made available at the DLA's discretion. The grant system is also designed to meet the needs of a wider variety of beneficiaries that include different income groups, but also residents in former homeland areas with secure access to agricultural land. IPLRAD, therefore, provides greater flexibility in terms of the kinds of projects than can be implemented.

The document also clarified that the “own contribution” of R5 000 could be made in cash, labour or kind. The contribution in kind would be calculated by costing assets such as machinery, equipment, livestock and other assets that the beneficiary may possess. The cash contribution can be own or borrowed money. “Own contribution” can also

²⁰⁷ All the above points from *The Farmer*, “Didiza soek venootskappe”, August 1999. Also see footnote 75 in Chapter 5 for similarities between the new policy statements and arguments made by Mbongwa in the early policy development stage.

²⁰⁸ *Land and Rural Digest*, “Land reform overhaul”, July/August, 2000

²⁰⁹ The following discussion is based on Turner S & Ibsen H, “Land and agrarian reform in South Africa: A Status Report”, Occasional Paper Series, PLAAS, UWC, November, 2000 & DLA, Executive Summary of LRAD, *Land Info*, vol.8, no.1, 2001

consist of any combination of cash, kind and labour.²¹⁰ Implementation of IPLRAD would be decentralised (mainly through provincial structures), less bureaucratic and would be the joint responsibility of the provincial departments of Agriculture and Land Affairs. Bureaucracy would be reduced through shorter sequences for project approval, decision making at local levels and less emphasis on pre-settlement planning. IPLRAD also emphasised the role of private sector providers (commercial banks, estate agents etc) in implementation.

In December 2001, the Department of Land Affairs officially stated that there would be a policy shift away from large-scale to small-scale resettlement projects. Whereas in 1994, the average household would obtain access to approximately 12 hectares of land, new beneficiaries would obtain access to approximately seven hectares. *“We now prefer to accommodate smaller numbers of people on smaller pieces of land, but with the necessary infrastructure to make a viable living. The latest approach is quality before quantity”*.²¹¹

The final policy statement was released in late 2002 (although LRAD had been officially announced on 13 August 2001).²¹² It retained the principles set out above but also provided clarity and a more comprehensive context for the programme - now dubbed the Land Redistribution for Agricultural Development Programme (LRAD).²¹³ The National Land Reform programme would still be based on the original three legs; Restitution, Redistribution and Tenure Reform. The Redistribution programme, however, would consist of several sub-programmes. These are redistribution for agricultural development (LRAD), redistribution for settlement and redistribution for non-agricultural enterprises like eco-tourism. Each sub-programme would operate according to different financial mechanisms and different delivery systems, and focus on different target groups.

The LRAD sub-programme also has two components, the transfer of agricultural land to individuals/groups and commonage projects. LRAD is designed to provide grants to black South African citizens to access land specifically for agricultural purposes. The strategic objectives of the programme include the redistribution of 30% of the country's agricultural land in 15 years, improving nutrition and income for the rural poor who want to farm on any scale, decongesting the former homeland areas and expanding opportunities for women and youth living in rural areas. Other objectives include overcoming the legacy of past racial and gender discrimination in access to land, to stimulate agricultural growth, to generate income activities in rural areas and to promote environmental sustainability.

²¹⁰ DLA, Executive Summary of LRAD, *Land Info*, vol.8, no.1, 2001

²¹¹ *Business Day*, December 6, 2001

²¹² Lahiff E, “Land reform in South Africa: is it meeting the challenge?”, Policy Brief, no.1, PLAAS, September 2001

²¹³ The following discussion is largely based on DLA, Executive Summary of LRAD, *Land Info*, vol.8, no.1, 2001 and DLA, The Land Redistribution for Agricultural Development Programme: Final Version, 2001 – available at <http://land.pwv.gov.za>

The types of projects that can be accommodated under LRAD include – but are not limited to – the following: food safety net projects, equity schemes²¹⁴, production for markets and agriculture in the communal areas. Food Safety Net projects are designed to improve household food security through small-scale farming.²¹⁵ The majority of these projects will be located at the lowest end of the sliding grant scale. Production for Markets projects are designed for those beneficiaries with farming experience, who have access to assets and loans from commercial banks and who want to engage in commercial production. Agriculture in Communal Areas projects are designed to provide residents in communal areas who have secure access to agricultural land with the necessary resources to engage either in small-scale or large-scale farming. Partners in the LRAD programme include the National Land Committee, the Land Bank, the Agricultural Research Council, the National African Farmers' Union and Agri SA. The Land Bank will administer the LRAD grant on behalf of the DLA if applicants apply for a Land Bank loan (which is considered own contribution) or wish to purchase a property possessed by the Land Bank.²¹⁶

In terms of the budget, the DLA has allocated a sizeable proportion of the total land reform budget to the LRAD programme. According to the Planning Guidelines of the Strategic Plan, the price of land is calculated at R1 000 per hectare and an average size of 1 300 hectares per farm. The total estimated cost for land reform grants is calculated at R305 000 000 for 305 000 hectares of land. The 305 000 hectares of land is to be apportioned as follows: 213 500 hectares (70%) for LRAD and 91 500 hectares for settlement (30%). Of the land allocated to LRAD, 2.5% or 5 338 hectares will go to marginalised communities. Of the land allocated to settlement, 15% will go to marginalised communities. A further 7% will go to Urban Renewal Projects. The department also hopes to distribute 669 000 hectares of state land by the end of the 2002 financial year. Finally, 24.5% of the total 2002 budget for redistribution will go to the resettlement of farm workers and labour tenants.²¹⁷ The overall budget for land reform has always been a “minuscule proportion” of total government spending (with particularly little emphasis on redistribution) and the trend seems to be continued in the 2002 and 2003 budgets. The February 2002 budget, for example, proposed that the DLA's share of the governments' total spending decline from 0.37% in 2002 to 0.34% in 2004/05. Although the budget for restitution has been increased, the spending on land redistribution and tenure reform is set to shrink by 25%.²¹⁸

In addition, the Departments of Agriculture and Land Affairs will attempt to strengthen inter-governmental relations as well as relations between the departments and various stakeholders in order to improve implementation procedures. Project approval can now take place at a provincial level, which should (in the long term) make the process more efficient. Emphasis will be placed on the development of effective monitoring and

²¹⁴ see chapter nine

²¹⁵ Minister Trevor Manuel set aside R1.2 billion for food relief programmes in his February 2003 budget speech. See, *Star*, “Agriculture gets moment in the sun”, February 27, 2003

²¹⁶ DLA, Media Release, Minister Didiza to launch LRAD, August 13, 2001

²¹⁷ Didiza T, Budget Speech, *Land Info*, 8,1, 2001

²¹⁸ Turner S, Land and Agrarian Reform in South Africa: A status report, 2002, Research Report no. 12, PLAAS, August 2002. Also see chapter six on Restitution.

evaluations systems. The work performed by other line and support components such as Deeds and Surveys, Cadastral Surveys and Mapping will also be supported and developed. Finally, the LRAD programme will be implemented taking account of new policy developments such as the Integrated Sustainable Rural Development Strategy and the Urban Renewal Strategy. The Integrated Sustainable Rural Development Strategy identifies 13 nodal rural areas that require development and are mostly adjacent to, or within, former homeland areas. According to the Director General of Land Affairs, “*it is a strategy that seeks to provide people with better access to infrastructure, services, roads, water and schools to create opportunities for income generation and economic development*”.²¹⁹ The Urban Renewal Strategy aims to decongest densely populated areas such as Alexandra in Gauteng, KwaMashu in KwaZulu, Mdantsane and Motherwell in the Eastern Cape and Mitchels Plain and Khayelitsha on the Cape Flats. It involves resettlement and service provision.²²⁰

The LRAD programme was first put to the test in the impoverished Nkomazi region of Mpumalanga.²²¹ Assistance under the LRAD programme came as a welcome boost for the Nkomazi Irrigation Expansion Project, which had stalled due to a shortage of financial resources.²²² Two hundred and forty-seven beneficiaries received title deeds to plots with an average size of seven hectares.²²³ According to the objectives of the LRAD programme, the project placed considerable emphasis on the empowerment of women and young people. Part of the total budget for the scheme was allocated for infrastructure such as clearance, water-pump construction and irrigation. At the launch of the Nkomazi project minister Didiza explained, “*when we talk about empowerment, we do not talk about people who will beg, but about people who have a vision of what they want. This is what this project entails*”.²²⁴ The first transfer of state land under LRAD took place south of Port St. Johns on the Wild Coast. Seven black commercial farmers, who had been leasing land in the area for 20 years, received title deeds.²²⁵

5. Problems particular to the Land Redistribution for Agricultural Development Programme

The following problems have been identified and are discussed in relation to the Land Redistribution of Agricultural Development Programme; loss of institutional capacity as a result of the moratorium, lack of consultation in adopting policy, lack of capacity to implement the programme, unclear inter-departmental role and responsibility allocation, the neglected position of farm workers and labour tenants, the elite capture of the benefits of redistribution, inappropriate beneficiary selection, possible loss of institutional legitimacy, the diversion of purely residential projects, overly romantic views of

²¹⁹ DLA, Interview with Director General G. Mayende, Land Info, vol.8, no.1, 2002

²²⁰ DLA, Interview with Director General G. Mayende, Land Info, vol.8, no.1, 2002

²²¹ Lessons learned during the implementation of this project are discussed in the following section - problems with LRAD.

²²² Davis N, “Lessons from the new land redistribution programme, Land and Rural Digest, November/December 2001

²²³ DLA, Media Release, Minister Didiza to launch LRAD, August 13, 2001

²²⁴ DLA, Media Release, Minister Didiza to launch LRAD, August 13, 2001

²²⁵ Didiza T, Budget Speech, Land Info, 8,1, 2001

agriculture within the Ministry of Agriculture and Land Affairs, issues around multiple livelihood strategies, the role of current landowners, the requirement of an own contribution, implications of the sliding-scale for government grants, inappropriate agricultural policy, excessive reliance on the private sector and the impact of continuous change on potential beneficiaries.

5.1. Loss of capacity as a result of the moratorium

Many commentators in the land reform field have been fiercely critical of Didiza's leadership, the moratorium imposed in 1999 and the shelving of the draft Land Rights Bill. Ben Cousins, for example, wrote that since Didiza's appointment, "*previous investments in human capital*" were being "*carelessly squandered*" as a consequence of the abandonment of training projects and the resignation of key staff.²²⁶ In the absence of an alternative policy until February 2000 and because of several contradictory policy statements thereafter, widespread demoralisation and uncertainty reigned in many governmental and non-governmental sectors of land and agrarian reform as well as among potential beneficiaries.²²⁷ The consensus among critics of the moratorium appears to be that a policy review was reasonable, given the problems experienced during the implementation of the Redistribution Programme, but that the moratorium led to a loss of at least a year's redistribution work as well as the loss of skilled staff.

The implementation of a new policy would also result in "another slow learning and capacity building curve – similar to the one the DLA climbed from 1994 to 1999".²²⁸ As Geoff Budlender explains, "*the Redistribution Programme was very problematic and there were lots of mistakes made and lessons to be learnt. One cannot criticise the minister for wanting to refocus policy. I think that she can be criticised, however, because she did not spend enough time and effort finding out what the lessons from the existing programme were. People in the department would have been happy to debate and reformulate the programme. It is a great shame that all these lessons have been lost*".²²⁹ Or, as former Minister of Agriculture and Land Affairs, Derek Hanekom, explains, "*the moratorium was a huge mistake. It was the result of people who were not sufficiently part of the process – people in the Department of Agriculture, who focussed on agriculture and who paid little attention to land reform. Everybody would have welcomed a policy review. We believed in the notion of ongoing policy review. But, to stop everything while you are doing this policy review does not make sense*".²³⁰

5.2. Lack of consultation in adopting policy

²²⁶ Ben Cousins, "Didiza's recipe for disaster", *Mail & Guardian*, August 18, 2000 & Ben Cousins, "Meaningful land reform must involve people at the grassroots", *Sunday Independent Reconstruct*, February 20, 2000

²²⁷ Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 37

²²⁸ Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 38

²²⁹ Interview with Geoff Budlender, former Director General of DLA, July 2001

²³⁰ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

The consensus, from critics and land and rural NGOs (particularly the NLC), is that the LRAD policy was adopted without adequate consultation with either parliament or civil society. The ANC's Portfolio Committee on land and agriculture, for example, only obtained access to policy documents after they had been released to the press.²³¹ Experienced policy developers from the Department of Land Affairs were also excluded from the process.²³²

Commentators have also pointed to the important role representatives from the World Bank played in the development of the Land Redistribution for Agricultural Development Policy. According to Lahiff²³³ LRAD was designed "in close co-operation" with World Bank representatives, "with minimal input from staff at the Department of Land Affairs or from civil society".

5.3. Lack of capacity to implement the programme

According to the final LRAD document, implementation will be the joint responsibility of the provincial departments of agriculture and land affairs. The document is, however, not clear on how staff from the provincial departments of agriculture will be capacitated for such a major role, nor on the role experienced DLA field staff will play in the future.²³⁴

Ben Cousins has argued that officials within the DLA have been sidelined and, that the ministry was preparing to implement the LRAD programme using staff in the department of agriculture "*with little experience in supporting new farming schemes*".²³⁵ It is unlikely that the provincial departments have the required staff and capacity to implement the LRAD programme. The provincial departments of land affairs and, particularly, agriculture, are in dire need of transformation. Staff members in the provincial departments of agriculture have limited experience with rural communities, group ownership, small-scale farming and production for local markets. Staff members (including extension officers) have generally been trained to work on big, commercial ventures, with people speaking the same language as they do. "*They also have this attitude when they come into projects that they are the experts. They do not go there with an attitude that they can learn from the communities. Communities know the soil types and carrying capacities. Communities often laugh when the carrying capacities are forwarded to them by the department of agriculture because they know that they can keep a lot more cattle and in many cases do so already. The extension officers have not developed methodologies to interact progressively with communities. When I was in the*

²³¹ Interview with member of the ANC Portfolio Committee on Land and Agriculture, September, 2002

²³² Interviews with Hanekom, Budlender & Cousins

²³³ Lahiff E, "Land reform in South Africa: is it meeting the challenge?", Policy Brief, no.1, PLAAS, September 2001

²³⁴ Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 40 & 41

²³⁵ Ben Cousins, "Didiza's recipe for disaster", *Mail & Guardian*, August 18, 2000 & Ben Cousins, "Meaningful land reform must involve people at the grassroots", *Sunday Independent Reconstruct*, February 20, 2000

*DLA, there were at least two cases where we had to rescue agricultural extension officers from communities who had kidnapped and nearly assaulted them because of this type of behaviour”.*²³⁶

Serious concern has also been expressed regarding the capacity of the National Department of Agriculture to implement this ambitious programme. Roth’s comments on the Zimbabwean government’s 1992 commitments to resettle and support large numbers of “viable” farmers are just as relevant to South Africa’s Land Redistribution for Agricultural Development Programme. *“One central question is, does the government have the wherewithal and capacity to implement the new land policy? Based on evidence accumulated . . . one can legitimately question the government’s capacity to effectively perform these tasks”.*²³⁷ It is particularly disconcerting when Minister Didiza admits that the *“government does not know the extent of the need for land in South Africa”* and, that a *“register would have to be drawn up to show how big the need for land is in South Africa”.*²³⁸

Given the rate of South African redistribution thus far, the target of 30% of agricultural land in 15 years also seems over ambitious. The National Land Committee pointed out that the DLA has consistently failed to spend its annual budget primarily due to capacity constraints. *“On what basis does she [Didiza] now contend that sufficient capacity exists to meet the new ambitious targets”.*²³⁹

5.4. Unclear inter-departmental role and responsibility allocation

Related to the above, are problems emerging from LRAD’s commitment to decentralisation and inter-governmental co-operation.

One of the major challenges that emerged from the LRAD’s “pilot project” in Nkomazi (Mpumalanga), for example, relates to the flow of accountability. Planners and departmental representatives working on the project were grappling with their new responsibilities, as inter-departmental roles were not clearly defined. Even the minister had to acknowledge that *“it would appear that there are different interpretations of policy matters within the department”.*²⁴⁰ Presumably, these challenges will be overcome with experience and long-term policy refinement. In the Nkomazi case, planting seasons were delayed because a great deal of time had been lost as a result of uncertainty regarding inter-departmental accountability and the lack of clarity around issues of

²³⁶ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

²³⁷ Roth H, “A critique of Zimbabwe’s 1992 Land Act”, *Zimbabwe’s Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

²³⁸ *Land and Rural Digest*, “Land reform overhaul”, July/August, 2000

²³⁹ *Business Day*, July 5, 2000

²⁴⁰ Davis N, “Lessons from the new land redistribution programme, *Land and Rural Digest*, November/December 2001

systems and procedures.²⁴¹ These time delays also highlighted issues of up-front costs (travelling costs to attend meetings etc.), while waiting for project approval.²⁴²

5.5. The neglected position of farm workers and labour tenants

Many of the farms acquired for redistribution under the LRAD programme will already have farm workers, labour tenants or other individuals living on them. LRAD makes no provision for this and, one cannot assume that new farmers will respect legislation relating to evictions and tenant rights in a context where rural people remain largely unaware of their rights. New settlers will need training and support on how to deal with families already resident on their land, while resident families will need access to information regarding their rights to land.

It is in this regard that the Rural Action Committee (TRAC) in Mpumalanga has argued that the primary beneficiaries of the LRAD programme should be farm workers and labour tenants. *“They know the land, they are already settled there and they are amongst the most marginalised in South Africa. You can run absolutely beautiful projects like this. Where farmers subdivide their land, transfer it to farm workers, who can then use the land as their own contribution. Grants can be accessed in this manner and used to engage in equity ventures. I see this programme working on a farm by farm basis. Where a rural NGO like TRAC goes to a farmer and encourages him/her to transfer land to farm workers who already have informal rights to the land. This will be an investment in staff - provide them with a retirement plan, utilise land that has relatively little re-sale value and, owners will probably be compensated by the DLA”.*²⁴³

5.6. Elite capture of the benefits of redistribution.

The ministry of Agriculture and Land Affairs has argued that LRAD grants would mainly be directed at poorer borrowers and that women and youth would be target beneficiary groups. Supporters of the programme have also pointed out that the poorest of the poor will continue to benefit from the land reform programme through the food-safety net component of LRAD, tenure reform and the restitution programme.

Cliffe²⁴⁴ points out that, in practice, however, the benefits are more likely to go to those with access to resources, political contacts (including with NGOs) and literacy (including the ability to submit claims). *“The structures for allocating land form an extended hierarchy of patron-client relations reaching from the DLA through provincial offices via NGOs and CBOs to the rural people seeking access to land acquisition grants. An alternative route goes through farmers, individual and corporate, who assist their employees to get access to grants to buy land, pay for housing and acquire equity in the*

²⁴¹ Davis N, “Lessons from the new land redistribution programme, Land and Rural Digest, November/December 2001

²⁴² Davis N, “Lessons from the new land redistribution programme, Land and Rural Digest, November/December 2001

²⁴³ Interview with Chris Williams (Director of TRAC Mpumalanga & former DLA Chief Planner), May 24, 2001

²⁴⁴ Cliffe L, “Land Reform in South Africa”, Review of African Political Economy, No. 84, 2000

farm business".²⁴⁵ Furthermore, various actors, including the National Land Committee, have expressed concerns that the emphasis on the development of a black commercial farming class could lead to the marginalisation, or exclusion, of the poor from the benefits of land reform.

5.7. Inappropriate beneficiary selection

There is ample international evidence (Kenya and Zimbabwe, for example) indicating that beneficiary selection based on criteria such as "farming experience" or "own contribution" exclude the poorest from the benefits of land reform. In practise, potentially successful commercial farmers/ established commercial farmers already have access to resources. Investments in the creation of a black commercial farming class will therefore *"dovetail on existing patterns of social inequality"*.²⁴⁶

In Kenya, for example, the first land reform programme was drafted based on the 1854 report by the then Deputy Director of Agriculture, R.J.M Swynnerton. The basic tenet of the policy was to convert indigenous land tenure systems into European systems of private property and to create a commercially successful small-scale agricultural sector. The government attempted to establish a class of yeoman farmers (600 000 commercially successful small-scale farms owned by Africans), while limiting accumulation among the rest of the population and thereby maintaining the cheap labour supply to white owned farms. This partial land reform programme was essentially designed to diffuse the conflict generated by the Mau Mau rebellion, without redistributing significant amounts of white-owned land.²⁴⁷ The empowerment of a relatively small group of farmers resulted in the economic polarisation of the rural African community.

The post-independence Kenyan government embarked on a market-based land reform programme with similar aims – i.e. creating a yeoman class of farmers (the target was 1 800 farmers by September 1963).²⁴⁸ This policy had numerous negative consequences. The poor could not afford to purchase land in the market-based reform programme and those with access to resources found economic opportunities outside of the agricultural sector. Subsequent land reform schemes (e.g. a tenant resettlement scheme in 1965 and the Shirika scheme to resettle landless people in 1971) continued to exclude the poorest of the poor from the beneficiary lists.

In South Africa, the first target group of the LRAD programme are the approximately 50 000, relatively well-off members of the National African Farmers' Union (NAFU). Lodge²⁴⁹ provides some examples of "fairly typical representative" figures of NAFU.

²⁴⁵ Cliffe L, "Land Reform in South Africa", *Review of African Political Economy*, No. 84, 2000

²⁴⁶ *Mail & Guardian*, "Creating the black commercial farmer", September 22 – 28, 2000

²⁴⁷ Francis E & Williams G, "The Land Question", *Canadian Journal of Modern African Studies*, Vol.27, No.3, 1993

²⁴⁸ Kanyinga K, "Struggles of Access to Land: The 'Squatter Question' in Coastal Kenya", Research Working Paper 98.7, Centre for Development, June 1998

²⁴⁹ Matlou J, "'n Boer maak 'n plan", *Mail & Guardian*, May 12, 2000 & Makoe A, "Black boers change the colour of Free State farming", *The Star*, May 7, 2000 & Lodge T, *Politics in South Africa*, David Phillip, Cape Town, 2002, p. 81

For example, Mpumalanga lemon farmer Paul Nkosi who built up substantial own capital by running a string of grocery shops, or Petrus Mofokeng (one of 90 “low-risk” loan holders at the Bethlehem branch of the Land Bank), who is the owner of a 640 hectare dairy farm.

The reasons why governments focus on “experienced” farmers, with some access to resources, are varied. Firstly, it is far more expensive to resettle beneficiaries who also require post-settlement support, the provision of infrastructure and training. Secondly, commercial farmers’ associations, like NAFU in South Africa or the National Farmers’ Association in Zimbabwe, are often influential in terms of policy formulation and tend to advocate that only farmers with a “proven track record” be selected for resettlement.

In fact, the Zimbabwean government embarked on similar policy changes as South Africa, partly because of pressure from the National Farmers’ Association. Initially the target beneficiaries of the Zimbabwean land reform programme were the “refugees” and the “destitute”. In 1992, however, in conjunction with the passage of the Land Acquisition Act, the Zimbabwean government decided to change beneficiary selection criteria and to target “*master farmers or farmers with the potential to fully use the land*”. The Zimbabwean government therefore embarked on a policy “*to promote emerging black commercial farmers in order to ensure continuity in production, as well as, to facilitate the establishment of a more balanced racial composition of the large-scale commercial agricultural sector*”.²⁵⁰

Many of the failures of Latin American land reform programmes can also be explained in terms of beneficiary selection. In an attempt to maintain agricultural productivity, land acquisition grants in Latin America tended to be paid to “experienced” farmers with access to “some resources”. The poorest where, thereby, excluded from many of these programmes. As a result, high levels of inequality persisted and the eventual result was violence and political instability (notably Brazil and Chile).

Clearly, there is a need in South Africa to develop a black commercial agricultural sector, but this should not be at the expense of the poor. There is a very real risk that LRAD will exclude the poor and this may have very negative consequences in terms of equity and political stability. Class analysis studies in many African countries have warned of the potential of land reform programmes to increase rural differentiation and community tensions.²⁵¹ By attempting to establish a black commercial farming class, Didiza’s ministry may exacerbate social inequality in South Africa’s rural areas. Land reform requires more than increased agricultural production and issues of poverty alleviation and justice cannot be neglected if the programme is to be sustainable and/or successful. “*Creating a stratum of black commercial farmers without unlocking the imbalances of power in favour of all within the agricultural economy, will only perpetuate the existing agrarian structure’s bias in favour of white commercial farmers*”.²⁵²

²⁵⁰ Masoka N, “Land reform policy and strategy” in *Zimbabwe’s Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

²⁵¹ *Mail & Guardian*, “Observers concerned about new land reform policy”, February 18 – 24, 2000

²⁵² *Mail & Guardian*, “Creating the black commercial farmer”, September 22 – 28, 2000

The 1994 land reform programme in Colombia may provide some answers. Instead of allocating grants to experienced beneficiaries with access to resources, beneficiaries who would require further training and assistance were identified in the pre-settlement stage. These groups or individuals were subsequently provided with the necessary assistance. The Colombian government thereby ensured that the most disadvantaged were not excluded from the land reform programme.

5.8. Loss of Legitimacy

Another problem could emerge as a result of the increasingly close relationship between the DLA and NAFU, notably, the DLA could lose legitimacy. This happened in Brazil, for example. The Brazilian institution responsible for land and agrarian reform policies is the National Institute for Rural Settlement and Agrarian Reform (INCRA). The implementation of land reform policies in Brazil was hampered by the fact that the INCRA was perceived as biased, aligned to large-scale landowners and drew staff and leadership from the community of landowners.²⁵³ If the agency primarily responsible for land reform is perceived as biased, it loses legitimacy and, thus, potential beneficiaries are less likely to participate in the legal land reform processes it sets up. As was the case in Brazil, the landless might then engage in extralegal methods for land acquisition.

5.9. Diversion of Residential Projects

The fact that purely residential projects will no longer fall under the land redistribution programme, but will be diverted to the Department of Housing, may further exclude the poorest in the rural areas from the benefits of land reform.

There seems to be an assumption that land reform beneficiaries can be divided into two neat categories; those who want to farm and those that want land purely for settlement. According to Cliffe²⁵⁴ this is a throwback to “colonial and apartheid mentalities . . . that led to the belief that only a minority of Africans, capable of becoming master farmers were worth resourcing”.

All the South African case studies discussed in this thesis indicate that redistribution projects tend to combine settlement and agricultural production. Official figures also indicate that only about 10% of the SLAG projects were essentially residential.²⁵⁵ As Turner explains, “the rigid distinction between land for residential and productive use may make sense from a planning perspective, but it fails to capture the multiple needs of rural households who typically include both types of land as part of a diverse livelihood strategy. Focussing exclusively on the small minority of households able and willing to

²⁵³ Servico Brasileiro de Justica e Paz, “Land Issues: Urgent Appeal”, News from Brazil, Number 182, June 8, 1995

²⁵⁴ Cliffe L, “Land Reform in South Africa”, Review of African Political Economy, No. 84, 2000

²⁵⁵ Lodge T, Politics in South Africa, David Phillip, Cape Town, 2002, p. 75 & Cliffe L, “Land Reform in South Africa”, Review of African Political Economy, No. 84, 2000, p. 281

*engage in full-time commercial farming, while resigning the majority to the settlement or food security sectors, is to ignore the reality of rural life in much of South Africa”.*²⁵⁶

5.10. Romantic views of agriculture

On the other hand, the LRAD programme is certainly not the only programme that raises concerns about the exclusion of the poorest sectors of South African society from the benefits of land reform. As Husy explains, *“LRAD is not a pro-poor policy and it focuses mostly on relatively wealthy farmers or those with some access to land and other resources. But, if anyone can show me any poor person that benefited from the previous policy, I will change my mind. I think that the new policy is a lot more flexible and it offers a hell of a lot more opportunities for a wider range of people than the previous redistribution programme ever did”.*²⁵⁷

There have indeed been examples in the last couple of years where the LRAD programme has addressed the problems of poverty experienced by some beneficiaries of the Settlement/Land Acquisition Grant. In the Limpopo province, for example, 6 000 SLAG beneficiary households, whose 76 farms had collapsed due to a lack of skills and financial resources, received R5 million in aid under the LRAD programme in October 2002.²⁵⁸

Perhaps more controversial are the assumptions on which the LRAD programme is based. The commercial agricultural sector has become increasingly liberalised over the previous couple of decades and white farmers and farmers’ unions have consistently argued that commercial farming in the 1990s has become more and more competitive and, less and less profitable. (For farmers of export products this situation changed in 2002, as the effects of the devaluated currency came into play). Against this background, LRAD argues that *“we are going to create a class of black commercial farmers who are going to kick-start the economy and provide employment. How are they going to do this? Why would these farmers be able to succeed while experienced farmers fail”?*²⁵⁹

5.11. Multiple Livelihoods

The emphasis on commercial agriculture in the LRAD programme also appears to ignore the lessons around multiple livelihoods that emerged during the implementation of the previous Redistribution Programme. *“The new programme is not attuned to the realities of rural livelihoods, which incorporate farming as just one strand in a bundle of household strategies. Indeed, fewer and fewer existing commercial farmers depend on agriculture alone”.*²⁶⁰ This is not to argue that successful commercial agriculture is impossible, but it does point to the fact that success requires diversification, or access to

²⁵⁶ Turner S, Land and Agrarian Reform in South Africa: A status report, 2002, Research Report no. 12, PLAAS, August 2002, p. 14

²⁵⁷ Interview with Dave Husy (Former Deputy Director of the NLC), May 31, 2001

²⁵⁸ *Mail & Guardian*, “Government to rescue black farmers”, October 11 – 17, 2002

²⁵⁹ Interview with Tom Lebert (Deputy Director of National Land Committee), April 25, 2001

²⁶⁰ Turner S & Ibsen H, “Land and agrarian reform in South Africa: A Status Report”, Occasional Paper Series, PLAAS, UWC, November, 2000, p. 40

niche markets, or the production of lucrative export crops – all of which requires substantial inputs and resources.

5.12. Current landowners

The National Land Committee has pointed out that the LRAD programme has failed to address the fact that prime agricultural land is currently in the hands of private owners. These owners appear to be unwilling to release their land for land redistribution purposes (as was the case under the previous Redistribution Programme).²⁶¹ As a result of the market-based approach to land redistribution (as discussed in section 5.16 below) current landowners therefore continue to influence the amount of land that is available for redistribution, as well as, the price at which the land is available.

5.13. Own contribution

The R5 000 minimum “own contribution” has also been the subject of much controversy and is related to concerns that the LRAD programme will exclude the poorest from the benefits of land reform. The LRAD document argues that the requirement for an “own contribution” will ensure that potential beneficiaries are “committed” to farming and hence will be more likely to engage in successful agricultural production. The National Land Committee has, however, pointed out that, for farm workers in South Africa (based on average incomes) to obtain the R5 000 required for the minimum grant in cash would require more than a years’ wages. Approximately 72% of farm workers receive an income below the poverty line and the average monthly income is R457 per month. This means that the minimum requirement is equivalent (on average) to approximately 11 months’ wages.²⁶² The minimum own contribution can consist of cash, kind or labour (sweat equity). LRAD does not clarify exactly how the labour input (sweat equity) will be measured. *“We asked a lot of questions about sweat equity. Presumably everybody who gets land to work on will be putting in sweat equity. Are they going to go to farms and see whether you are working hard and take your land away if you are not?”*²⁶³

5.14. Implications of the sliding-scale

Related to concerns regarding the minimum “own contribution” are ethical questions regarding the upper end of the grant-scale. *“The state is saying that it cannot afford to build houses and provide water because of limited resources, but they can throw R100 000 at some rich fat cat who can raise R400 000”.*²⁶⁴ Or as Derek Hanekom explains, *“my initial response to this programme was, why award people who already have money, where the more you have, the more you get”.*²⁶⁵ There are also concerns that many of the relatively rich potential beneficiaries may not be interested in farming. Although the

²⁶¹ NLC, “Land Redistribution Media Fact Sheet, not dated

²⁶² NLC, “Land Redistribution Media Fact Sheet, not dated

²⁶³ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

²⁶⁴ Interview with Tom Lebert (Deputy Director of National Land Committee), April 25, 2001

²⁶⁵ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

final LRAD policy document states that land speculation and absentee ownership will not be supported, the policy is not clear on how this could be prevented.

The NLC has argued that every R100 000 grant allocated could exclude five “poorer” individuals from the benefits of land redistribution and, therefore, the LRAD programme could end up with a much smaller number of beneficiaries than the previous Redistribution Programme. Furthermore, the individual-based approach allows several individuals within a single household to access land acquisition grants independently. This could have positive implications for women, as well as, for the sustainability of redistribution projects. On the other hand, given the limited nature of resources, it may result in fewer households being accommodated in the redistribution programme. This policy shift toward larger grants for a smaller number of people is particularly problematic in a context where an estimated 25.6 million South Africans are still landless.²⁶⁶ In fact, figures released during a media briefing in December 2001, support the argument that the LRAD programme will benefit a smaller number of individuals. The NDA’s figures showed that fewer redistribution projects were approved in 2001 (151) than in 1999 (212).²⁶⁷ By June 2003, the DLA had not released updated redistribution figures, indicating that very few redistribution projects have subsequently been completed.²⁶⁸

5.15. Agricultural Policy

According to Bonti-Ankomah²⁶⁹, the new agricultural policy also lacks adequate policy guidelines to solve the issues in a way that will benefit the rural poor and emerging small-scale farmers. Bonti-Ankomah argues that to achieve the stated aims of the agricultural policy²⁷⁰, the government needs to provide some level of support or subsidy to small-scale and emergent farmers. This is because the playing fields need to be level to ensure fair competition and the sustainability of small-scale and emergent farming. He continues that, in the document, emphasis is placed on international trade, comparative advantage, competitiveness and foreign exchange earnings, but that to really help small-scale farmers there should be more emphasis on production for the domestic market and methods to improve the production of small-scale farmers and land reform beneficiaries. He adds that an export orientation should be replaced by, or at least complemented by, and inward focus. In addition, agricultural development should not be seen as separate from rural development in general. This, he argues, calls for effective co-ordination between government departments and the private sector – something that the policy neglects.

5.16. Reliance on the private sector

²⁶⁶ Business Day, “Reforming land reform”, January 18, 1999

²⁶⁷ Business Day, December 6, 2001

²⁶⁸ Previous figure available at <http://land.pwv.gov.za>

²⁶⁹ Bonti-Ankomah S, “Where is the beef in the new agricultural policy?”, Land and Rural Digest, February 1999

²⁷⁰ See section above on LRAD programme

Turner and Ibsen have pointed to the significant risk of abuse in the LRAD programme's emphasis, and dependence, on private sector service providers, particularly with regard to the design of land redistribution projects and land valuation.²⁷¹ In fact, the land valuation process has not changed and the methods and principles used under the Land Redistribution continue to be used. In particular, the location and amount of land available, as well as the price at which land is available, for redistribution will continue to be largely determined by current landowners.

5.17. More changes disadvantage potential beneficiaries

It is also uncertain what the implications are for land reform beneficiaries who have to adapt to yet another set of systems and procedures in order to acquire land. As argued before, the demand-driven approach, where beneficiaries have to identify land and participate in complicated application procedures, is likely to skew the benefits of the land reform programme in favour of those who are literate and have access to organisations like the NLC. Every set of policy changes also increases the risk that the more marginalised are excluded from the programme, particularly in the absence of a rural publicity campaign around the LRAD programme.

6. Problems common to the Redistribution Programme and the Land Redistribution for Agricultural Development Programme

A number of problems emerge from both the Redistribution and the Land for Agricultural Development Programmes. Some of these are general and pertain to land reform in general, for example, government commitment and population pressure. Others, like the market-based approach, are underlying thematic problems of the South African (and other similar) land reform programmes.

6.1. Lack of government commitment & corruption

International examples of redistribution programmes failing because of a lack of government commitment are plentiful. The majority of land reform programmes worldwide (with the possible exception of the Cuban land reform programme) have been limited by a wide range of factors, which include a lack of government commitment to the social, political and economic transformation of society through land reform. Other problems included lack of funding, excessive and inefficient bureaucracy and a lack of beneficiary participation in the formulation and implementation of land reform policies.

In Brazil, for example, the Landless People's Movement (MST) has argued that agrarian reform is not a priority for the Cardoso government. The government approved US\$ 1.5 billion for agrarian reform and a further US\$ 400 million for expropriation but, made only 1.252 billion available to the INCRA in instalments, which undermined the capacity of the institute to acquire and redistribute land.²⁷²

²⁷¹ Turner S & Ibsen H, "Land and agrarian reform in South Africa: A Status Report", Occasional Paper Series, PLAAS, UWC, November, 2000, p. 41

²⁷² Servico Brasileiro de Justica e Paz, "Land Issues", *News from Brazil*, Number 259, January 13, 1997

The South African government's apparent lack of commitment to redistribution is also indicated by the small land reform budget. Between 1997 and 1998, for example, the DLA's budget increased by 3.5%, but when inflation is taken into account the period actually saw an overall budget cut of 2.3%.²⁷³ In the 2001 financial year, the total budget for land reform (redistribution, restitution and tenure reform) was only R851 million.²⁷⁴ The small budget can partly be explained by the fact that the South African government is beset with multiple competing demands. As was the case in Zimbabwe, land redistribution appears to be accorded a lower priority in the national budget than education, healthcare and defence. Furthermore, administrative constraints result from the lack of professional resources and the consequent understaffing of, and inexperience in, the Department of Land Affairs.

Corruption in government or government departments, not only hampers land reform but, also creates potentially destructive and negative images among those affected by land redistribution policies. For example, the international and media attention paid to instances of corruption in Zimbabwe in an attempt to abdicate responsibility and provide an explanation for the allegedly limited land redistribution in Zimbabwe and the consequent violence.

Corruption also reduces the willingness of outside countries and agencies, as well as the private sector, to contribute to the land reform process. The withdrawal or withholding of funding can have very negative consequences for a land reform programme already hampered by a lack of financial resources and administrative skills. Despite President Mugabe's leadership code, which stipulates that political leaders may not own or, have beneficial interests in, more than 50 acres of land, corruption in Zimbabwe's land reform programme appears to be prevalent.²⁷⁵ According to the Commercial Farmers' Union, senior Zimbabwean officials, including two vice-presidents (Joseph Msika and Simon Muzenda) have acquired farms under the land reform programme. Other beneficiaries include Mugabe's sister (Sabina), his brother in law (Reward Marufu), army commander Constantine Chiwanga, Security Minister Sydney Sekeremayi and MP Elliot Manyinka.²⁷⁶ Two opposition members in the Zimbabwean parliament claimed that since 1990, 270 state farms had been allocated to government officials that included (besides those mentioned above) a speaker in parliament, a number of permanent secretaries, governors, high court judges, MPs and influential figures in the department of police.²⁷⁷ In August 2000, it was reported that Mugabe's wife (Grace) took over a 3 000 acre farm (Iron Mask farm).²⁷⁸

²⁷³ Husy D, "The National Budget and the Implications for Land Reform", *Land Update*, No.65, March 1998

²⁷⁴ *Beeld*, July 10, 2001

²⁷⁵ Bratton M, "Land Redistribution 1980 to 1990", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

²⁷⁶ *Mail & Guardian*, "Mugabe's cronies cash in", June 28 – July 4, 2002

²⁷⁷ Buckle C, *African Tears*, Covos Day, South Africa, 2001

²⁷⁸ Barnard D, Interview with Laurie Bosman, Deputy President of Agri South Africa, SAFM, September 20, 2002

There have also been allegations of corruption in South Africa's land reform programme. An ANC Member of Parliament indicated to me that a number of civil servants have been among the first beneficiaries of the LRAD programme (see later sections of this chapter). In June 2003, the South African Human Rights Commission alleged that corruption within the Department of Land Affairs was one of the reasons for the slow process of land reform. According to the Commission's report, there was "wide-scale mismanagement" and corruption among officials of the DLA. In one incident, a court case is pending against an official for allegedly destroying records. Another court case is pending because top positions have allegedly been sold. The SAHRC also found cases of nepotism and the consequent appointment of unqualified personnel.²⁷⁹

6.2. Redistribution and population pressure

Commenting on Zimbabwe, Roth²⁸⁰ pointed out that land redistribution alone cannot solve problems of poverty and landlessness in Communal Lands. Roth argues that based on the existing population of one million families and an annual population growth rate of 3% in Zimbabwe's Communal Lands, the resettlement of 110 000 families would lower the population in Communal Lands for only four to five years. After that, the original population of one million families will be surpassed. The argument is simple, increases in population result in increased demand for land. Poverty alleviation and sustainable development will therefore require a more comprehensive set of policies than redistribution alone. For example, attempts to increase the carrying capacity and/or fertility of land and the provision and development of alternative economic opportunities in rural areas.

In 1995, South Africa's population was estimated at between 41.9 and 44.7 million people. In 1999, South Africa's total population was estimated at 43 million (with Africans accounting for just over 33 million).²⁸¹ The Centre for Population Studies, at the University of Pretoria, estimated that the country's population would increase to 57.5 million by 2010 and 70.8 million by 2015.²⁸² Similarly, estimates in 1994 indicated that there were 3.6 million rural African households. The present growth rate is 1.02% per year, implying that there will be 4.2 million rural African households by 2006.²⁸³ Increases in population could negatively affect the long-term sustainability of the redistribution programme, as well as, exacerbate rural migration to overcrowded and impoverished urban areas. It is, therefore, necessary that land redistribution constitutes one aspect of a broader policy of rural development and agrarian reform.

6.3. The market-based approach

²⁷⁹ Grobler C, "Korrupsie knou regering en grondverdeling", *Beeld*, June 11, 2003

²⁸⁰ Roth H, "A critique of Zimbabwe's 1992 Land Act", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

²⁸¹ Statistics South Africa 2000, Pretoria, 2000

²⁸² Bonti-Ankomah S, *Land Redistribution Options for South Africa*, NLC, 1998

²⁸³ Eales K, "Quantifying Rural Options", *Down to Earth*, Marcus T, Eales K & Wildshut A (Eds.), LAPC, Indicator Press, Natal, March 1996, p. 13 - 66

The market-based approach to land redistribution (willing-buyers purchasing land available on the market at market prices from willing-sellers) has been hampered by the fact that, very often, “willing-sellers” do not exist. “*We are dealing with imperfect sellers. Sellers are concerned about who buys land and where they buy it. They are often influenced by an ideology that denies black people access to land*”.²⁸⁴ According to a newspaper report in July 2001, the majority of South African farmers are unwilling to participate in land reform efforts and many continue to mistreat their farm workers.²⁸⁵ The Transvaal Agricultural Union (TAU), for example, has made consistent efforts to convince white farmers not to sell their land to land reform beneficiaries.²⁸⁶ The Union also took the Department of Land Affairs to court, in June 2002, in a bid to end the state’s right to expropriate land in terms of the land reform programme. A research project, conducted in 1999, found that there was “*collusion among landowners not to sell land for land reform purposes*” and that landowners “*transfer land between existing owners in a locality, effectively closing off whole areas*”.²⁸⁷ As discussed below, landowners have also used the land reform programme to engage in opportunistic pricing behaviour. Furthermore, the market-based approach to redistribution has contributed to a slow land reform process. The approach has also resulted in the fact (as noted above) that the land that becomes available for redistribution is often marginal land with low agricultural potential.

Similarly, in the context of the land reform programme, “willing-buyers” either do not exist or, are “imperfect buyers”. For example, without exception, interviewees in the Sheba community (where I conducted fieldwork) felt that black people should not have to pay for land.²⁸⁸ As one interviewee explained, “*it is our land, it has always been our land. They took it by force. Since then we have been poor. Why must we pay to get our land back?*” The NLC and its affiliate, TRAC, have reported a similar sentiment among the communities that they represent - typically worded as “*they stole the land from us. Why should we have to buy it back*”. The inequalities in opportunities, income, education and access to land resulting from Apartheid has a disabling effect on the ability of land reform beneficiaries in South Africa to pay for acquired land. Clearly policies and methods, which make more land available at more reasonable prices, must be developed. A possible solution, advocated by a number of non-governmental organisations in South Africa, including the NLC, may be to redistribute state-owned land to beneficiaries for free. Under the Frei administration in Chile, for example, legislation was passed that

²⁸⁴ Interview with Andile Mngxitama, Senior Researcher NLC, June 7, 2001

²⁸⁵ *Beeld*, July 10, 2001

²⁸⁶ *Mail & Guardian*, “Land invasions are inevitable”, June 21 – 27, 2002

²⁸⁷ Interview with Dave Husy (Former Deputy Director of the NLC), May 31, 2001. Husy conducted a land price research project in 1999.

²⁸⁸ Interview with Ronny Masuka, (Vice-Chairperson of the Sheba Community Trust), June 24, 2001 & Interview with Monday Madolo (Chairperson of the Sheba Community Trust), June 28, 2001 & Interviews with Sheba community members, June 27, 28 & 29, 2001 & Interview with Mezzy Fakude (Sheba community), June 25, 2001 & Interview with Elizabeth Nkosi (Sheba Community Trust Member), June 27, 2001. The same sentiment was expressed in, for example, Statement by Communities of Central and South Eastern Transvaal, May 20, 1990, TRAC, unpublished & Statement by Communities of the Wakkerstroom District, TRAC, unpublished, March 26, 1991 & Statement by Communities of the Western Transvaal, TRAC, unpublished, April 7, 1991 & Statement by Transvaal CDS Rural Forum, endorsed by 18 communities, facilitated by TRAC, November 25, 1991.

stipulated that land suitable for agricultural production owned by the state, or its agencies, would be redistributed to beneficiaries for free.

Even where markets function effectively and efficiently, this very success may prohibit the poor and landless from obtaining access to land. One of the main objectives, of the Million-Acre Scheme in Kenya, was to ensure the stability of Kenya's land market and to encourage foreign investment. *"Indeed, the authorities overshot this objective. They went beyond the achievement of stability to the creation of an investment climate that proved highly attractive to foreign and expatriate capital. By 1967, non-citizen individuals and companies had bought up almost as much land as had been earmarked for smallholder settlement and it became obvious that the Africanisation of the former white highlands could be thwarted by the operation of market forces".*²⁸⁹

Tessa Marcus²⁹⁰ captures these "imperfections" clearly in her discussion of market-based land reform. Marcus argues that, from the perspective of classical liberal economic theory, *"demand and supply presume land to be a commodity which in some way is, can, or ought to be accessed through a market. In this framework, there is a given quantity of land and a given quantity of demand for land, and they somehow need to be reconciled. The problem is that while the absolute volume of land supply is quantifiable and fixed, its relative availability and usage are far less static because there are aspects of the land question that are largely socially determined. On the demand side, quantifying the need for land is completely elastic and flexible. Its fixed character is mere illusion. It is a need that is constrained or facilitated by existing social and institutional realities and therefore may not be articulated, let alone addressed. It is also important to bear in mind that intrinsically, market relations are not primarily about meeting people's needs. They are about making profit, which means meeting demands for consumption – a demand that sometimes coincides with people's needs, but often does not".*²⁹¹

Others have pointed out that the market-based approach to redistribution is only part of the problem. Critics²⁹² of the land redistribution programme, as well as World Bank representatives, have pointed out that 6% of South Africa's agricultural land is sold in the land market each year. A more supply-led redistribution programme, where the government purchases the land available on the market each year and combines this with the acquisition of the land repossessed by the Land Bank annually, could translate into the redistribution of 30% of agricultural land in five years.

²⁸⁹ Leo C, Land and Class in Kenya, Chapter 8, University of Toronto Press, Toronto, 1984

²⁹⁰ Academic Tessa Marcus consistently argued for nationalisation in the early policy development process. See chapter five on the Shaping of South African Policy

²⁹¹ Marcus T, "Demand for Land", Down to Earth, Marcus T, Eales K & Wildschut A (Eds.), Land and Agricultural Policy Centre, Indicator Press, Natal, March 1996

²⁹² Interview with Andile Mngxitama, Senior Researcher NLC, June 7, 2001 & Bond P, Elite Transition, University of Natal Press, 2000 & Williams G, "Setting the Agenda: A critique of the World Bank's Rural Restructuring Programme for South Africa", Journal of Southern African Studies, 22, March 1996 & Hans Binswanger, also see Agricultural Land Reform in South Africa, Van Zyl J, Kirsten J & Binswanger H (Eds.), Oxford University Press, Cape Town, 1996

The Zimbabwean government, faced with similar market constraints, passed the Land Acquisition Act in 1985 in an effort to address problems around land supply. At Independence, the Zimbabwean government embarked on a willing-buyer and willing-seller redistribution programme. A new Ministry of Lands, Resettlement and Rural Development was created with the aim to resettle 162 000 families in five years. Ten years later, however, only 52 000 families had been resettled. The Zimbabwean government argued that the market-based approach to redistribution led to high (often inflated) land prices and the release of land mainly in the marginal production areas and, on an ad hoc basis.²⁹³ The Land Acquisition Act of 1985, gave the Zimbabwean government first option to purchase land available on the market and thereby engage in a more supply-led redistribution programme. These policy changes did not solve the land supply problems. Between April 1986 and September 1989, the Zimbabwean government rejected 1.5 million hectares of the 1.7 million hectares offered, either because prices were too high or farm sizes too small. In fact, the mean sizes of these farms were more than 1 000 hectares (enough to settle 50 families at 20 hectares per farm). In addition, nearly 53% of the land rejected fell in the most fertile agricultural regions of Zimbabwe.²⁹⁴ In some cases, public officials did not act fast enough to secure available land before the period for the state's right to first refusal expired.²⁹⁵

Similarly, a law stipulating that land for sale had to be offered to the Namibian government first, has not translated into a rapid and efficient redistribution process (see figures in table C). In other words, supply problems cannot be explained entirely in terms of collusion and excessive price speculation.

As former minister of Agriculture and Land Affairs, Derek Hanekom, explains, *“the difficulty lies in linking fast track land reform to effective beneficiary participation in the reform process”*. The Department of Land Affairs has committed itself to the RDP concept of “people driven development”. This requires group formation, project identification and negotiation within groups, as well as with other interest groups and affected parties. Furthermore, land acquisition is only a first step in the development of income generating agricultural projects. *“What is theoretically possible and what is practically possible are two different things. Effective land reform depends on choosing the right people, though the right process and resettling them on appropriate land with access to the necessary support services and financial mechanisms”*. In other words, land supply must be correlated with land needs. *“The Land Bank may have sequestered large maize farms in a particular area. There might be a group of women who have the*

²⁹³ Rukuni M, “The Evolution of Agricultural Policy”, *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

²⁹⁴ Figures on land offers and rejections in Zimbabwe between 1985 and 1989 from Roth H, “A critique of Zimbabwe's 1992 Land Act”, *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

²⁹⁵ Bratton M, “Land Redistribution 1980 to 1990”, *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

*capacity to engage in very small-scale vegetable farming in the same area. Buying a 1000 hectare maize farm, just because it is available, is not the answer”.*²⁹⁶

Evidence from Zimbabwe also indicates that market-based land reform may result in a cat-and-mouse game (in which expectations for land are only partially met) that could eventually result in direct action (i.e. land invasions and even protracted violence). The land question was a central factor in, and motivation for, the liberation struggle in Zimbabwe. Consequently, just five months after assuming power (September 1980), the Zimbabwean government launched its market-based land reform programme. The programme had several objectives, including a reduction of civil conflict, improved national welfare and increased agricultural productivity. The goal was to settle 18 000 families on 1.1 million hectares with funding provided by the British government. (Already, the programme was grossly inadequate as an estimated 800 000 families required land²⁹⁷). Nevertheless, as Bratton²⁹⁸ explains, *“at first, the Mugabe government was able to obtain land for purchase readily, either from farms that had been abandoned during the war, or from whites who wished to liquidate their assets in the face of uncertainty. All transactions took place voluntarily with compensation at full market rates”*.

After this initial spurt of activity the land redistribution programme slowed down significantly. The most commonly cited factor, that impeded the land reform process in Zimbabwe, is the legal constraints imposed by the Lancaster House Constitution – a product of the negotiated settlement for independence, which included a lock-up clause that certain provisions of the 1980 Constitution would be binding for ten years. In particular, section 16, which guaranteed property rights and included several conditions that limited land reform and redistribution. These include (a) land reform and redistribution would be based on the willing-buyer and willing-seller principle, (b) owners would be compensated at market value and (c) compensation for expropriated land would be paid in a foreign currency. Two further factors that contributed to a fragmented process of redistribution are financial constraints and pressure applied by the international community and/or organisations.

Consequently, the Zimbabwean government published the Transitional Development Plan in November 1982. The aim of the Plan was the resettlement of 162 000 families (20% of the nation’s peasants) on nine million hectares of land (57% of white owned agricultural land) subject to financial and other capacity constraints.²⁹⁹ Partly as a result of the factors cited above, and partly as a result of the fact that the Plan was over ambitious, new targets were set in 1986 (15 000 families per year) in Zimbabwe’s first Five-year Development Plan. Also, in 1986, in the context of relatively slow land redistribution and resettlement process (though faster than South Africa) and at the

²⁹⁶ All quotes in this paragraph from an Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Harthebeespoortdam, September 8, 2002. For more detail on a similar argument see section on post-settlement support services.

²⁹⁷ Herbst J, "The Dilemmas of Land Policy in Zimbabwe", *Africa Insight*, Vol.21, No.4, 1991

²⁹⁸ Bratton M, "Land Redistribution 1980 to 1990", *Zimbabwe’s Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

²⁹⁹ Herbst J, "The Dilemmas of Land Policy in Zimbabwe", *Africa Insight*, Vol.21, No.4, 1991

request of the United Nations Food and Agriculture Organisation a major report entitled *Policy Options for Agrarian Reform in Zimbabwe* was debated by “all levels of government”. The report included proposals that included renewed emphasis on tenure security, environmental protection, the development of new agricultural production methods and the consolidation of communal populations into planned villages. By 1990, there had been no official response to these policy recommendations³⁰⁰ and a World Bank assessment found that the effect on the “*development of communal areas, where the majority of Zimbabweans lived has been minimal*”.³⁰¹ The same study found that pressure for faster resettlement was in fact increasing. The Zimbabwean government itself expressed the need to resettle a further 110 000 families on another 6 million hectares of land.³⁰² At this stage, approximately 4 500 white farmers still owned 12 million hectares constituting one third of the country’s arable land. By 1990, land reform had re-emerged as one of the most important topics in the national politics of Zimbabwe.

With the expiry of the independence restrictions in 1990, the Zimbabwean government made it clear that it intended to amend section 16 of the Lancaster House Constitution and acquire a further five million hectares for resettlement. A commission was established to inquire into “appropriate agricultural land tenure systems”.³⁰³ In addition, in accordance with the terms of the Constitution of Zimbabwe Amendment Act number 11 of 1990, the government proceeded to draft legislation that empowered the government in the following ways.

- 1) To acquire any land it deemed necessary by means of expropriation. According to the Zimbabwe Amendment Act 11 this included unutilised land, buildings, natural resources and fixed improvements.³⁰⁴
- 2) To determine and pay “fair” compensation within a “reasonable” period for expropriated land, as opposed to previous legislation stipulating that “adequate” compensation be paid “promptly”. Therefore the Act empowered the Zimbabwean parliament to specify the principles on which the amount of compensation is based, to fix the amount according to these principles and to determine the period within which compensation should be paid.
- 3) To pay compensation in the local currency.

The Zimbabwean government then shifted its focus to legislation pertaining to the purpose of resettlement and, consequently, the Land Acquisition Act of 1992 was adopted, despite domestic and international hostility. Importantly, the Act empowered the president to compulsory acquire land in certain circumstances. Section 3 (a) allowed for the compulsory acquisition of land, where such acquisition was reasonably necessary for defence, public safety, public morality, public order, public health, town and country

³⁰⁰ Bratton M, “Land Redistribution 1980 to 1990”, *Zimbabwe’s Agricultural Revolution*, Rukuni M & Eicher E (Eds.) University of Zimbabwe Press, 1994

³⁰¹ Barber S, “Colombia holds answers for Zimbabwe”, *Business Day*, December 18, 1997

³⁰² Naldi G.J, “Land Reform in Zimbabwe: Some Legal Aspects”, *Journal of Modern African Studies*, Vol.31, No.4, 1993

³⁰³ Barber S, “Colombia holds answers for Zimbabwe”, *Business Day*, December 18, 1997

³⁰⁴ Cloete F, “Comparative lessons for land reform in South Africa”, *Africa Insight*, Vol.22, No.4, 1992

planning or generally beneficial to the public.³⁰⁵ In terms of rural land, compulsory acquisition was permitted, where it was reasonably necessary for its utilisation,

- (1) for settlement or for agricultural or other purposes,
- (2) for purposes of land re-organisation, forestry, environmental conservation or the utilisation of wildlife or other natural resources or,
- (3) for the relocation of people dispossessed as a result of the above.

Section 3(2) authorised the acquisition of derelict land. Land could also be acquired from unwilling sellers in cases where,

- (1) the seller had more than one farm,
- (2) the farm was under-utilised and,
- (3) an absentee landlord held the land.

The procedure for compulsory acquisition was stipulated in Section 5. A written notice had to be given to the owner of the land in question. Once a notice had been issued, it remained in force for a year, during which time, the owner could not sell or lease the land in question or, make any permanent improvements to it. Section 13 allowed the owners of designated land to object. In such a case the relevant minister was empowered to investigate the objection - his subsequent decision being final.

The land invasions and violence that erupted in 2000 (see chapter 11), indicates that the market-based, willing-seller and willing-buyer land reform programme was inadequate. Meeting the market-based, willing-buyer and willing-seller criteria established during the negotiations and, contained in the Lancaster House Constitution, has been a major factor contributing to the relatively slow and fragmented process of redistribution in Zimbabwe and, by implication, post-2000 land related violence. Another result of the market-based approach is that the land that does become available on the market is of marginal productive value or, when productive land becomes available, financial constraints on the government and/or potential beneficiaries prevents acquisition. In addition, the payment of “full” compensation at “market rates” places a, sometimes insurmountable, burden on the government and potential beneficiaries. The burden on government and beneficiaries, in South Africa, will be even greater given the fact that the Zimbabwean government received substantial financial assistance from both the British government and the International Monetary Fund. Similarly, in Kenya, the post-independence government financed the land reform programme with financial aid from the British government, the Federal German government, the Commonwealth Development Corporation and the World Bank.

6.3.1. The Subdivision of Agricultural Land Act

One of the major obstacles to effective market-based redistribution is the continued existence of the Subdivision of Agricultural Land Act 70 of 1970. Given the size of the farms available and the limited resources (and grants) available to potential beneficiaries, land acquisition becomes almost impossible for the average new black entrant into the land market. Signature of the repeal of the Subdivision Act is still pending and, in the meantime, subdivision requires the approval of the Minister of Agriculture and Land

³⁰⁵ This and rest of the paragraph from Naldi G.J, "Land Reform in Zimbabwe: Some Legal Aspects", *Journal of Modern African Studies*, Vol.31, No.4, 1993

Affairs.³⁰⁶ The Provision of Land and Assistance Act 126 of 1993, however, allows subdivision in cases where the Minister, or Minister's delegate, has approved project funding.³⁰⁷

6.3.2. *Land prices*

International experiences indicate that market-based land redistribution programmes lead to increases in average land prices. Since the land supply is inelastic and fixed, increased demand for land will lead to increased land prices. When landowners know that there is a demand for land and believe that the state will provide the resources necessary for land purchase, they are likely to engage in opportunistic pricing behaviour.

Lessons derived from the 1994 Colombian land reform programme are particularly relevant, given the similarities between the programme and South Africa's Redistribution Programme. The Colombian government embarked on a decentralised, market-based land reform programme in 1994. Beneficiaries were expected to negotiate independently with landowners. Once land had been identified, the state would provide grants covering 70% of the purchase price, subject to an upper limit. Further aspects of the land reform programme included structural reforms that reduced the profitability of large-scale agriculture by eliminating protection. However, the grant-based approach coupled with independent negotiation resulted in inflated land prices. As is the case in South Africa, the grant often covered only the purchase price leaving no resources to commence productive activities. The Colombian programme also did not result in noticeable increases in agricultural productivity.³⁰⁸

In December 1990, the Zimbabwean government amended Section 16 of the Lancaster House Constitution in order to address the problem of inflated land prices. Section 16 of the Lancaster House Constitution stipulated that compensation for acquired land be "adequate", paid "promptly" in a "foreign currency" and based on the "market value" of the property. The amendment provided that the price to be paid for the acquisition of land for resettlement be "fair", in the "local currency" and paid "within a reasonable period of time". The Zimbabwean government stated that it would continue to use professional land valuation officers and that it would take account of variations in the agricultural potential of land as well as the value of permanent improvements (i.e. irrigation structures, fencing and housing). The amendment meant that the government could now stagger payments over a longer time-period.³⁰⁹ It also became possible to introduce the concept of payment in instalments, by means of bonds and other securities – a method used widely in Latin American land reform programmes.

Controversy around land prices also emerges from a number of South African case studies. The Association for Rural Advancement found that most beneficiary

³⁰⁶ This was the case at the time of writing in December 2002.

³⁰⁷ DLA, The Land Redistribution for Agricultural Development Programme: Final Version, 2001 – available at <http://land.pwv.gov.za>

³⁰⁸ Barber S, "Colombia holds answers for Zimbabwe", *Business Day*, December 18, 1997

³⁰⁹ Masoka N, "Land reform policy and strategy" in *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

communities claim to have been inadequately informed about land prices and valuations. Communities also feel that land valuers are biased in favour of white landowner interests.³¹⁰

The following case study should illustrate the argument. Daggakraal is a redistribution project facilitated by the Department of Land Affairs' Mpumalanga office in 1996. The community (385 families) acquired the farm Somershoek in the Amersfoort district. The farm had real potential for job creation and income generation. The farm is 1 852 hectares in extent, of which 60 hectares are irrigable, 264 hectares are suited to dryland crop production and 1 520 hectares for extensive grazing. The farm had a 300-piggery unit, a mill, grain silos, six hectares of Kikuyu pasture and numerous farm buildings. The farm also has ample water resources that include 15 dams, four boreholes and four windmills. The pooled SLAG amounted to R5 775 000 (385 times R15 000). The community also received a planning grant of R519 750. However, the farm was purchased in November 1996, without livestock and without moveable assets. These assets had been valued at R1 914 630. The community was now faced with the possibility of owning a farm that had substantial infrastructure but no income generating potential. The trustees at Daggakraal therefore expressed serious concerns about the prices paid for land, livestock and moveable assets. The land valuation officer accepted the seller's asking price as fair and reasonable. However, there was no formal and open bargaining process at which the trustees could have negotiated a lower price, nor was any member of the trust present when stock-taking was conducted for appraisal purposes. In addition, machinery and equipment were not properly maintained in the period leading up to transfer. The property was designated in April 1996 but was not transferred until November 1996. During that time, the seller was guaranteed his price but the community had no control over operations on the property. The trustees claim that repairs to machines and equipment will cost R107 000. Moreover, the previous owners failed to maintain the piggery enterprise. On assuming duty in January 1997, the farm manager estimated that the piggery was making a loss of R26 000 per month and that it would take approximately nine months to return to profitability.³¹¹

The Daggakraal case study highlights the fact that the current market power that landowners hold contributes to inflated land prices. Potential beneficiaries do not have access to the necessary resources, information or bargaining power to ensure fair transactions. Landowners take advantage of this and (as in other countries) are encouraged by their belief that the government will pay for the land.

There is some debate around whether land prices have increased in South Africa since the inception of the land redistribution programme. Bonti-Ankomah³¹² argues that the average land price in South Africa increased from R642 per hectare to R873 per hectare in nominal terms between 1994 and 1997 – in real terms this means that land prices have

³¹⁰ Liversage H, Report on an Investigation into Act 126 Land Acquisitions in KwaZulu Natal, Unpublished, AFRA, November 1995

³¹¹ All the information on Daggakraal from Lyne M & Lima Rural Development Foundation, "Options for Government's Settlement/ Land Acquisition Grant", Research Paper for the National Land Committee, July 1998

³¹² Bonti-Ankomah S, Land Redistribution Options for South Africa, NLC, 1998

increased by 2% per year. He argues that this is a significant increase compared to an increase of only 0.7% per year between 1990 and 1994 and attributed this variation to the land redistribution programme. He substantiates his argument by pointing out that the most consistent land price increases have occurred in KwaZulu-Natal over the last four years, which has seen the highest percentage of land redistributed and where the need for land exceeds the supply.

Budlender³¹³, on the other hand, argues that land transactions as a result of land reform is a very small percentage of total rural land transfers (100 out of 9 000) and is therefore unlikely to have any significant impact on the land market. According to Budlender, average land prices have actually dropped since the inception of the land reform programme in 1994. He states that between 1994 and 1998, average land prices decreased in real terms by 9.4% or by well over 2% per annum. Furthermore, large price swings are the result of inflation rates and changes in real return on alternative uses of capital.

A different conclusion is reached in what appears to be the most authoritative study on the relationship between market-based land reform and land prices in South Africa. Aliber and Mokoena³¹⁴ argue that there has been a downward trend in the average price per hectare in South Africa between 1995 and 2000 (down by about 28% between 1995 and 1998, and 14% lower in 2000 than in 1995). The authors found that the downward trend held for all farm-size categories and was especially evident with regard to the smaller size categories. The downward trend also occurred in most provinces. *“There are strong downward trends in Eastern and Western Cape, a spectacular decline in Gauteng and a strong increase in Mpumalanga”*.³¹⁵

These authors also point out that land redistribution projects account for a relatively insignificant part of the land market. In 1999, land redistribution accounted for only 3% of the land transactions reported and affected only 0.2% of South Africa’s commercial farmland. According to the Department of Land Affairs, the respective figures between 1995 and 2000 are 2.3% of transactions and only 0.8% of commercial farmland. Provincial variations also provide strong support for the argument that land redistribution has not led to increases in average land prices. In KwaZulu-Natal, for example, land redistribution accounts for 12% of land transactions in the same period and yet the province had *“one of the largest rates of declines in land prices”*.³¹⁶

Furthermore, the geographical spread of redistribution projects has been highly uneven with about 46% of redistribution projects taking place in less than 7% of the 288 districts with an active land market. According to the authors, this implies two things. One, that there are large areas of the country where redistribution has not happened at all and, two,

³¹³ Budlender G, "Rising prices not linked to land reform", Letter to the Editor, Land and Rural Digest, Vol.1, No.3, October/November 1998

³¹⁴ Aliber M & Mokoena R, "The interaction between the land redistribution programme and the land market in South Africa: A perspective on the willing-buyer / willing-seller approach", Occasional Paper Series, no. 21, PLAAS, May 2002, p. 1 - 37

³¹⁵ Aliber M & Mokoena R, 2002, p. 8

³¹⁶ Aliber M & Mokoena R, 2002, p. 8 & 9

whatever effects the redistribution programme may have on land prices, are likely to be quite local.³¹⁷

In an interesting variation to the land price argument, the authors point out that landowners are sensitive to changing patterns of land ownership in their immediate surroundings. For example, in the eastern part of the Bloemfontein magisterial district a number of redistribution projects took place in 1996 and 1997. This set off a chain reaction of white farmers wanting to sell, with a very real effect on the land market.³¹⁸ Aliber and Mokoena point out that many white landowners presume that if black people acquire an adjacent property, problems of stock theft and fence cutting will increase, particularly if the black neighbours do not conform to the model of a single nuclear family. In other words, the increased demand for land, as a result of redistribution, is compensated for by an increased supply of land, as a result of the fears of current landowners.

The authors conclude that, most probably, the land redistribution programme constitutes such a small percentage of the overall land market that the programme will not have any effect on land prices. Secondly, if there are any effects these will be localised. And thirdly, when land redistribution projects are introduced in a particular area, it appears that prevailing land prices decline.³¹⁹ However, as the authors point out, the direction of the relationship between redistribution and land prices is not clear and it may be that redistribution projects occur in areas in which land prices are already low.

In cases where landowners engage in opportunistic pricing behaviour, there are two standard policy options governments can employ to curb such behaviour and to keep land prices down. The first is to place a ceiling on land prices. However, as Roth³²⁰ argues, this might not be a viable option because price ceilings may discourage investment, decrease the collateral value of land and encourage landowners to sell only marginal land. The second option is forced expropriation. In this case, the government determines the amount of compensation to be paid (and over what time period). This issue is addressed in the following discussion on land redistribution methods not used in South Africa.

7. Land Redistribution Methods not used in South Africa

The introduction of a land tax on rural or agricultural land, the introduction of a land ceiling and the redistribution (and expropriation) of under-utilised land, are all policy options that have been employed with varied levels of success in international cases of land and agrarian reform. None of these policy options have been used in South Africa. The Department of Land Affairs' reasons for not utilising these methods vary and will be discussed below. Generally, these methods would not significantly increase the scope or pace of land reform in South Africa.

³¹⁷ Aliber M & Mokoena R, 2002, p. 11

³¹⁸ Aliber M & Mokoena R, 2002, p. 11 & 12

³¹⁹ Aliber M & Mokoena R, 2002, p. 13 - 20

³²⁰ Roth H, "A critique of Zimbabwe's 1992 Land Act", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

7.1. The Introduction of a Land Tax

The introduction of a land tax in rural areas to release land for redistribution and to raise public revenues is a method widely used in international cases of land reform. The basic argument is that the introduction of a land tax on agricultural land may curb speculation and induce landowners to use land more efficiently, either by cultivating unutilised land or by selling the excess land.³²¹

There are, however, few international examples where the introduction of a land tax contributed to landowners releasing land that they held for speculative purposes. In itself, the introduction of a land tax is not likely to contribute to the release of significant amounts of land in South Africa.

In December 1990, for example, the Zimbabwean government decided to impose a rural land tax to curb land speculation and encourage productive land use as part of the amendment to Section 16 of the Lancaster House Constitution. In Brazil (1995), under the government of President Fernando Henrique Cardoso, one element of the land reform programme was the introduction of a 20% tax on large unproductive properties in an effort to encourage more productive land use and discourage land speculation. However, in both cases, the introduction of a rural land tax did little to address the inequities in land access or to increase the amount of land available for redistribution.

In South Africa, the possibility of introducing a land tax in rural areas was investigated by the Commission of Enquiry on Certain Aspects of the Tax Structure in South Africa (the Katz Commission). In the third interim report of the commission, published in November 1995, the sub-committee investigating the introduction of a rural land tax, reported that there was no reason, in principle, why a rural land tax should not be given serious consideration - primarily as a source of revenue for local authorities.³²² In August 2001, a draft of the proposed Property Rates Bill was submitted to parliament for public hearings. If enacted, all South Africa's land – informal settlements, farms and resorts – would be taxable. Again, the aim of such an Act would be to generate an income for local governments as well as to encourage the release of unused land for redistribution.³²³

Critics have pointed out that agriculture is not profitable to begin with (currently the cost of production is increasing faster than the output prices) and that the introduction of a rural land tax will discourage farming. It could also discourage future investments in land and improvements. Furthermore, increases in the cost of production will eventually be shifted to the consumers of agricultural produce.³²⁴ The introduction of a rural land

³²¹ Niewoudt W.L., "The Impact of Land Tax on Future Investment: A Note", *South African Journal of Economics*, Vol.63, N.1, 1995

³²² Department of Land Affairs, *White Paper on South African Land Policy*, Pretoria, April 1997

³²³ Dickerson L & Madywabe L, "Land Tax: for better or worse", *Land and Rural Digest*, March/April, 2001

³²⁴ Niewoudt W.L., "The Impact of Land Tax on Future Investment: A Note", *South African Journal of Economics*, Vol.63, N.1, 1995

tax may also have negative consequences for land reform beneficiaries and new entrants in the sector, who are already struggling to cope financially. The draft Property Rates Bill does state that land reform beneficiaries will be exempt from a rural land tax for a period of three years. Bonti-Ankomah argues that land reform beneficiaries will require at least a 10-year grace period.³²⁵

The ministry of Agriculture and Land Affairs still does not have a final policy on tenure reform in the former homelands, where ownership and access encompass a wide range of systems of land allocation – private ownership, lease arrangements, ownership by tribal authorities and state owned land. The 11th draft of the Property Rates Bill makes no concrete suggestions in this regard. It merely calls for “comment” from traditional leaders.

The administration of a rural land tax may also be costly and complex. Property values, which are constantly changing, will have to be assessed. Also, if the revenue generated is to benefit local authorities, it stands to reason that local government would be the level of government responsible for the administration of a rural land tax. If a rural land tax is introduced primarily to release land for the redistribution programme, it stands to reason that the ministry of Agriculture and Land Affairs would be responsible for the administration of the tax. Evidence suggests, however, that neither local governments nor the DLA have the capacity to implement and administer a tax on rural land. In addition, the general manager of the Council of South African Banks has expressed concern that the costs involved in collecting rural taxes could absorb all the funds generated and, therefore, might not have any tangible benefits for rural taxpayers.³²⁶

Establishing the tax rate suitable to South Africa is also complicated. A tax rate of 3% and below is unlikely to result in the release of significant amounts of land for redistribution.³²⁷ At the same time, Niewoudt estimated that the rental rate of return in South African agriculture is 5% and, thus, imposing a tax rate of 5% will imply taxing away all rental incomes and penalising efficient farmers.³²⁸ The rate should, therefore, be set at below 5%. A further factor that needs to be taken into account is inflation. A tax rate set below the inflation rate will not curb land speculation significantly. A tax rate set above the inflation rate will reduce the value of the land (which could be beneficial for the redistribution programme, as landowners may be forced to sell their land at prices below market value).³²⁹

7.2. Introducing a land ceiling

This option involves setting a maximum land size and expropriating (with or without compensation) land exceeding the stipulated maximum. It is a method that has been

³²⁵ Dickerson L & Madywabe L, “Land Tax: for better or worse”, Land and Rural Digest, March/April, 2001

³²⁶ Business Day, “Government tackles redistribution”, February 17, 1998

³²⁷ Bonti-Ankomah S, Land Redistribution Options for South Africa, NLC, 1998

³²⁸ Niewoudt W.L, “The Impact of Land Tax on Future Investment: A Note”, South African Journal of Economics, Vol.63, N.1, 1995

³²⁹ Bonti-Ankomah S, Land Redistribution Options for South Africa, NLC, 1998

widely used, with varying degrees of success, in many international land reform programmes. Countries that have utilised this policy option include Zimbabwe, Bangladesh, Peru, Japan, South Korea, Egypt, Ecuador and Mexico.

For example, when the Lancaster House Constitution “expired” in 1990, the Zimbabwean government announced that it would resettle 100 000 families, on five million hectares of land to be acquired from the large-scale commercial farming areas. As part of the programme, the Zimbabwean government recommended that a land ceiling be introduced. The government also decided to legislate against ownership of more than one farm by any individual or company. In addition, according to the Foreign Investment Guidelines, it was suggested that foreigners should not own land in Zimbabwe.³³⁰ The aims of the policy were to increase productive efficiency, and to discourage absentee ownership and land speculation.

In Bangladesh, a country that is categorised as one of the poorest in the world according to the United Nations Development Report, and where 20% of the population earn more than half of the total income, the land reform programme was essentially based on the introduction of a land ceiling. In 1971, a land ceiling for the ownership of agricultural land was fixed at 33.3 acres per family (reduced to 20 acres in 1984). Nevertheless, in 2000, approximately 65% of families in Bangladesh were classified landless (up from 30% in 1972). In three decades, following a land reform programme based essentially on the introduction of a land ceiling, landlessness had more than doubled.³³¹

The military government of Juan Velasco Alvarado introduced the 1969 Agrarian Reform Law in Peru, which legislated that all land exceeding the stipulated land ceiling (150 hectares in the coastal areas and 15 to 55 hectares in the drier regions) would be expropriated. The Act also outlawed absentee ownership and encouraged collective production. In a few years, this authoritarian government distributed approximately 40% of the total land area.³³²

The Japanese land reform programme, introduced in 1946, under the auspices of the United States in the aftermath of the Second World War, was based primarily on the introduction of a land ceiling. From 1946 to 1950, land exceeding a stipulated land ceiling of three hectares and land belonging to absentee landowners was expropriated and redistributed to peasants (individual ownership).³³³ Former landowners were compensated at “market” prices, 30% in cash and 70% in government bonds, over 22 years, at 3.68% interest. Beneficiaries were expected to pay for land over a 30-year period, at 3.2% interest.³³⁴ The land reform programme in Japan resulted in the

³³⁰ Masoka N, “Land reform policy and strategy” in *Zimbabwe’s Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

³³¹ whole paragraph based on Hargreaves S, “Chilli powder and kitchen knives”, *Land and Rural Digest*, May/June, 2001

³³² Christodoulou D, “Agrarian Reform: Solution, Holding Operation or Trojan Horse”, *The Unpromised Land*, Zed Books, London, 1990

³³³ Zhou J, A New Proposal for Land Consolidation and Expansion in Japan and Other Economies, European University Institute, Italy, October 1997

³³⁴ Cloete F, “Comparative lessons for land reform in South Africa”, *Africa Insight*, Vol.22, No.4, 1992

redistribution of 35% of the total cultivated land area of Japan (30 million pieces of land to 5 million new landowners).³³⁵ In other words, the Japanese land reform programme succeeded in redistributing more land than is the required percentage for South Africa, according to the RDP and later the LRAD programme. Differences in soil quality and rural infrastructure, however, indicate that a land ceiling in South Africa would have to be set significantly higher than three hectares. In addition, different areas in South Africa will require different land ceilings, creating bigger administrative obstacles than in the Japanese case. The Western Cape, with more productive land could have lower land ceilings, than, for example, the rain-fed maize producing areas on the South African Highveld.

Legislated land ceilings were used quite successfully in South Korea, but the average size of the plots redistributed was 0.9 hectares – clearly such plots would be too small in the South African case of relatively low quality, fragile soil. The land reform programme introduced in Egypt, by the government of Gamal Abdul Nasser, in September 1952, brought greater equality in access to land and wealth, and was also largely based on the introduction of a land ceiling. The ceiling varied from 126 hectares per household in 1952, to 21 hectares per household in 1969.³³⁶

In 1964, the Agrarian Reform Law introduced a land ceiling in Ecuador in an attempt to address the highly inequitable distribution of land access and ownership. Land areas exceeding a maximum holding size would be expropriated. The Agrarian Reform Law was amended in 1973 and, article 28 of the Act, allowed for the expropriation of under-utilised land. By 1970, however, only 14 haciendas had been expropriated.³³⁷ Furthermore, between 1964 and 1985 (20 years), only 8% of Ecuador's agricultural land was redistributed to 99 673 households. Also, 30% of the redistributed land involved granting legal rights to individuals who already occupied land, making the actual amount redistributed 5.4% of agricultural land.³³⁸ This indicates that the introduction of a land ceiling, by itself, does not lead to significant redistribution.

Although land ceilings are easier to legislate than, for example, a land tax, there are difficulties in determining the maximum, or minimum, size of land holdings (i.e. the economies of farm size). Firstly, Roth³³⁹ argues that the notion of setting a maximum, or minimum, land size to achieve maximum returns, is based on fixed prices and constant technology, neither of which is valid in agricultural production. Input and output costs change constantly. Secondly, optimum land size will be influenced by land types, land use, the productive value of the land, access to infrastructure, transport and markets, access to capital and credit, management and experience, as well as, the general ecology

³³⁵ Zhou J, A New Proposal for Land Consolidation and Expansion in Japan and Other Economies, European University Institute, Italy, October 1997

³³⁶ El-Ghonemy M.R, "Egypt", *The Political Economy of Rural Poverty*, Routledge, London, 1990

³³⁷ Haney E.B & Haney W.G, "The Agrarian Transition in Highland Ecuador", *Searching for Agrarian Reform in Latin America*, Thiesenhusen W.C (Ed.), Unwin Hyman, London, 1989

³³⁸ Zevallos J.V, "Agrarian Reform and Structural Change: Ecuador since 1964", *Searching for Agrarian Reform in Latin America*, Thiesenhusen W.C (ed.), Unwin Hyman, London, 1989

³³⁹ Roth H, "A critique of Zimbabwe's 1992 Land Act", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

of any particular area. Optimum land sizes will thus differ, in different countries, or between different areas in a particular country.

In Mexico, legislated land ceilings changed more than five times since the inception of the land reform programme, illustrating the difficulties in determining optimum land size and also contributing to uncertainty and an inefficient system of land reform. Article 27, of 1917 Mexican constitution, exempted from expropriation the nuclei of buildings existing on haciendas and plantations, in addition to, 40 hectares or arable land and 60 hectares of pasture.³⁴⁰ Between 1917 and 1928, however, only 4% of Mexico's agricultural land was redistributed. In 1930, under the leadership of Ortiz Rubio, more categories of land were added to the list of land exempt from expropriation and the land reform programme came to a virtual halt.³⁴¹ In 1934, Lazaro Cardenas (the first Mexican president to embark on a significant land reform programme and expropriation of the large haciendas) introduced the Agrarian Code. The Code allowed for the expropriation of large haciendas in the hope that this would result in increased agricultural production and greater social and political stability. Accordingly, the categories of land exempt from expropriation changed. Land irrigated all year, was exempt up to 150 hectares, seasonally irrigated land to 300 hectares. In addition, two thirds of any estate, in areas where land was scarce, would be exempt from expropriation.³⁴² More land was distributed under the Cardenas administration (16.7 million hectares) than during the previous administrations combined.³⁴³ Land ceilings changed again in 1942 - the ceiling for irrigated land was then set at 100 hectares, seasonally irrigated land at 200 hectares, commercial farmland at 300 hectares and pastureland at 400 hectares.³⁴⁴

Determining the economically viable land size, in any given country or area, demands a huge amount of research. For example, a study conducted in 1996, in KwaZulu-Natal, indicated that the economically viable farm size was between 10 and 14 hectares, if beneficiaries did not have to pay for land. If beneficiaries had to use their resources to purchase land, 14 hectares would not be economically viable.³⁴⁵ At the same time, a study by the KwaZulu Finance Corporation estimated that 70 hectares was an economically viable farm size in that province.

If the South African government introduces a land ceiling, based on the estimated economic viability of land size, the amount of land released will be insufficient to address the land demand in South Africa. The LAPC estimated that 23.7 million hectares of agricultural land is required for redistribution. This implies the introduction of a land

³⁴⁰ Gill C.B, "Land Reform", Life in Provincial Mexico, UCLA Latin America Centre Publications, Los Angeles, 1983

³⁴¹ Markiewicz D, "Agrarian Revolution: The Peasant War", The Mexican Revolution and the Limits of Agrarian Reform 1915 - 1946, Lynne Rienner Publishers, London, 1993

³⁴² Gill C.B, "Land Reform", Life in Provincial Mexico, UCLA Latin America Centre Publications, Los Angeles, 1983

³⁴³ Cline F.H, "Agrarianism: A Basic Revolutionary Goal", Mexico: Revolution to Evolution 1940 -1960, Oxford University Press, London, 1962

³⁴⁴ Gill C.B, "Land Reform", Life in Provincial Mexico, UCLA Latin America Centre Publications, Los Angeles, 1983

³⁴⁵ Bonti-Ankomah S, Land Redistribution Options for South Africa, NLC, 1998

ceiling of 1 242 hectares. Presently, the average farm size in South Africa is 1 392.4 (less in KwaZulu-Natal, Mpumalanga, Gauteng and the Northern Province), implying that the majority of farms will not be affected by a 1 242 land ceiling.³⁴⁶

Furthermore, not all farmers are equally efficient, so that land ceilings that are set too high could protect smaller inefficient farmers, while land ceilings that are too low could discriminate against larger more efficient farmers.³⁴⁷ The introduction of land ceilings often forces the most marginal agricultural land onto the market (as is evidenced by numerous international case studies).

Like the introduction of a land tax, the introduction of a land ceiling, therefore, is not likely to contribute to the release of significant amounts of land in South Africa.

7.3. Redistributing under-utilised land

Redistributing under-utilised land can have two possible positive consequences. Firstly, a more equitable distribution of land and secondly, increased agricultural productivity. Two components for success of such an approach include sufficient amounts of under-utilised land and a fundamental restructuring of the power relations in rural societies.

A major problem with this option is that aggregate figures of under-utilised land tend to be inaccurate, which in turn, disguises two issues. The first is that under-utilised land is a phenomenon that spreads over many farms (where each farm has a core of productive land with areas that are less productive) and secondly, that not all farmers are equally efficient.³⁴⁸

This method has been widely used in international cases of land reform with varied levels of success. Examples include the land reform programme in Honduras, which emphasised the redistribution of under-utilised land. This programme, however, did not contribute to a fairer distribution of land. Instead, landowners who feared expropriation of under-utilised land expanded pasture areas for livestock. As a result, less land was available for expropriation and redistribution.

Another example of the application of this method can be found in Chile. In Chile, the administration of Jorge Allesandri passed a land reform law in 1962, which established the two institutions (the Corporacion de Reforma Agraria and the Instituto de Desarrollo Agropecuario) responsible for the expropriation of unproductive or virtually abandoned land. This policy was continued and enhanced under the Frei administration, where privately owned land could be expropriated based on a maximum size (80 hectares) deficient use, abandonment, unauthorised subdivision, corporate ownership, failure to comply with labour laws and location.

³⁴⁶ Bonti-Ankomah S, *Land Redistribution Options for South Africa*, NLC, 1998

³⁴⁷ Roth H, "A critique of Zimbabwe's 1992 Land Act", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

³⁴⁸ Roth H, "A critique of Zimbabwe's 1992 Land Act", *Zimbabwe's Agricultural Revolution*, Rukuni M & Eicher C.K (Eds.) University of Zimbabwe Publications, 1994

Even when a sufficient amount of under-utilised land is available, and policy commitments to redistribute it exist, it does not necessarily result in more equitable access to land. In 1995 in Brazil, there was still 100 million hectares of under-utilised land.³⁴⁹ With an average of 40 hectares per family, this alone would be enough to resettle 2.5 million families. The situation had changed very little by 1996, when 42.6% of agricultural land in Brazil remained under-utilised and the government still owned 250 million of the 650 million hectares of agricultural land in Brazil.³⁵⁰ The failure to redistribute under-utilised land, in Brazil, is a basic reason for the large-scale land invasions in Brazil during the last couple of decades.

In the South African case, no accurate information is available indicating the extent of under-utilised privately- or state-owned land. The South African Department of Land Affairs, for example, does not even have accurate information regarding the percentage of state-owned land that is under-utilised. According to the 1997 White Paper on Land Reform, land used for public purposes account for an estimated 14 million hectares or 12% of the total surface area of South Africa. This land is used for state/public purposes such as public buildings and military training. Parks, conservation, forestry and transport account for the remainder of the land. Approximately 17 million hectares, or 13% of the total surface area, is nominally owned by the state on behalf of individuals and communities. This includes most of the former homelands and coloured reserves. According to the White Paper, this leaves approximately one million hectares of state-owned agricultural land for redistribution and development. Approximately half a million hectares of this is former SADT land, outside of the former homelands. At present, this land is leased to farmers and agricultural corporations. This implies that there is a significant amount of state-land available for redistribution, and as argued before, should be redistributed without any cost to the beneficiaries.

On the other hand, the statistics are not accurate and the actual amount of under-utilised or vacant state-owned land in South Africa was still unknown in the late 1990s – an obvious impediment to land redistribution.

It is also necessary to consider why land is under-utilised. It may be that under-utilised land is not productive land. Or, that productive use of under-utilised land will require high levels of investment and resource acquisition – something (which the preceding discussion on redistribution has shown) is not a possibility for the vast majority of redistribution beneficiaries. Policies to redistribute under-utilised land, therefore, are not likely to increase the scope and pace of land reform in South Africa.

8. The Future

³⁴⁹ Servico Brasileiro de Justica e Paz, "Land Questions", *News from Brazil*, Number 164, February 2, 1995

³⁵⁰ Kilerann J, "Land Reform: The Struggle Continues", *Newsletter* of the Intercongregational Justice and Peace Group, Sao Paulo, May 1996

In future, there will (or should probably) be three major developments in land redistribution – increased decentralisation, a move towards more supply-led land reform and the incorporation of spatial planning.

The Redistribution programme has been market-based (willing-sellers and willing-buyers/ land reform in the context of a market economy) and demand-driven (land reform in response to beneficiary demands where beneficiaries identify land, negotiate with willing sellers and apply for grants from the DLA). Critics of the land reform programme have consistently argued that the DLA should embark on a more supply-led programme (where the state purchases large amounts of land and redistributes it). Towards the end of Minister Hanekom's term in office, and also in the first discussion documents of the LRAD programme, the DLA suggested a move towards a more supply-led approach. However, by the time of writing, there is no indication that this shift has taken place – probably due to the realities encountered during implementation. The practical problems, complexities and capacity constraints relating to a more supply-led approach were discussed in the section entitled market-based reform above.

Nevertheless, there are opportunities to embark on a partial supply-led programme. Such a programme could operate on a relatively small-scale, on a case by case basis, to complement the demand-driven component of the Redistribution Programme. Responsibility (depending on each case) could lie with the Land Bank, municipalities, or the ministry of Agriculture and Land Affairs. *“This does not mean embarking on a large-scale supply-driven land reform programme. It is rather a question of saying that there is a supply, that this supply represents an opportunity, and that this involves the state's willingness to purchase land”.*³⁵¹ For example, when a particular farm becomes available either to the Land Bank, the state or a local municipality, and that particular piece of land meets the needs of potential beneficiaries in the area, it could be purchased and redistributed (in other words, embark on a supply-led programme when land supply matches demand). A supply-led approach could be particularly beneficial in terms of creating opportunities for small-scale farmers. The Land Bank may, for example, acquire a large farm through sequestration. Should the need exist in that area, the farm can be sub-divided and sold to small-scale farmers who would not have the resources (unless they form groups) to access large productive farms.

This small-scale supply-driven approach also links very well with concerns to redress the spatial legacy of apartheid. In the areas surrounding the former homelands there is a high demand for land and, at the same time, a large quantity of relatively good agricultural land is for sale. This represents an opportunity for supply-led reform, where the state purchases these farms for future redistribution. An advantage of this approach is that people do not have to move very far and can retain economic and social connections to former areas. Designation of particular areas will also make the provision of support services and infrastructure more effective. It may also be cost effective to designate areas around former whites-only rural towns, where infrastructure and social services already

³⁵¹ Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

exist. Such planning could be conducted on a district by district basis (where need exists).

On the other hand, land designation is a complex and complicated policy option, which could create more problems for redistribution (and agricultural production in particular) than it solves. It seems likely that landowners in designated areas may refrain from investing in land and improvements in the period between designation and actual sale and transfer. Designation of relatively large land areas (for example, areas surrounding former homelands) may negatively affect agricultural production if the farmers (or some of the farmers) in that area are particularly efficient producers.

Related to the emergence of a small-scale, supply-led redistribution programme that incorporates spatial planning, is an increasing decentralisation of the land reform programme. The DLA has consistently argued (as early as the 1997 White Paper) that land reform should be decentralised to a district or local level. The LRAD programme also recommends decentralisation to Provincial Departments of Agriculture. Part of the difficulty in implementing decentralisation policies is the lack of capacity in provincial and (especially) local government structures.

One proposal, made by the former Minister of Agriculture and Land Affairs, Derek Hanekom, is to decentralise the programme to municipal level. Thus, redistribution will become the responsibility of ward councillors who are arguably much more dependent on voter support to remain in office than, for example, a minister of land affairs. Hanekom recommends that implementation takes place on a case by case basis, where each municipality becomes responsible for one land reform/redistribution project. In cases (probably the majority) where municipalities lack the capacity to do so, the DLA could provide assistance. With each completed case, municipalities will build capacity and learn from experience.³⁵²

The Department of Land Affairs has, in fact, created more space for local governments to participate in the land reform programme. The Amatole District Municipality in the Eastern Cape has been one of the first to merge land reform requirements into the Integrated Development Plan that municipalities are now required to prepare and execute. The Amatole Municipality received R33 million for its Land Reform and Settlement Plan, most of which will be used for settlement.

Agricultural land reform also receives some attention from local government through participation in district assessment committees that are being established to consider applications for LRAD grants.³⁵³

Finally, the structure where one minister is responsible for two government departments (Agriculture and Land Affairs) should be questioned. Given the history, and

³⁵² Interview with Derek Hanekom (Former Minister of Land Affairs and Member of Parliament), Hartebeestpoortdam, September 8, 2002

³⁵³ Turner S, Land and Agrarian Reform in South Africa: A status report, 2002, Research Report no. 12, PLAAS, August 2002, p. 6 & 7

disagreements between the two departments in the past, it might be useful to create two separate ministries. On the other hand, the lack of communication between the two departments (even under a shared minister) perhaps suggests that a greater degree of amalgamation is required. One of the basic criticisms of minister Didiza's approach to land reform relates, not so much to policy, but to the ideologies underlying policy approaches. As minister of Agriculture, Didiza has essentially recast land redistribution as agricultural reform, whereas agricultural reform should be only one of the many aspects of a land reform policy. This suggests that the Department of Agriculture may not be the appropriate government department to have responsibility for what should be a much wider ranging programme that emphasises rural development, equity and justice. At the very least, a more integrated approach to land and agrarian reform must be developed. Something similar to the developments in Brazil in 1995, when land reform was no longer the sole responsibility of the Ministry of Agriculture, but became the responsibility of several ministries, which included Justice, Education, Finance and the Office of the President. In addition, the ministries of health, public works, water affairs and forestry (environment) all have a role to play in a sustainable land reform programme.

Finally, the possible consequences of the AIDS pandemic have not been factored into land and agrarian reform policies in South Africa. This appears to be a serious omission given the Department of Land Affairs' own estimates that between 15 and 35% of land reform beneficiaries and between 20 and 35% of staff in the various agencies supporting land reform are HIV-positive.³⁵⁴ It seems likely that families across the country may lose breadwinners to the disease. It also seems likely that the agricultural labour supply (both commercial and for subsistence farming) will be negatively affected.

9. Conclusion

"Land is a fundamental component of property relations in every society since it is one of the natural resources essential for social existence. Its distribution is of vital concern to every citizen as it affects their basic human rights. Whoever owns the land controls access to it, determines the use to which it is put, and how the wealth below is to be exploited. The struggle for land in South Africa is a complex web of interrelated national, class and gender issues that arise out of the legacy of apartheid".³⁵⁵

In this chapter I attempted a comparative analysis – drawing on local and more than 15 international case studies, particularly Zimbabwe – of the Redistribution Programme and the subsequent Land Reform for Agricultural Development Programme in South Africa.

The Land Redistribution Programme, introduced in 1994, was essentially a market-based programme with some state assistance in the form of a land purchase grant – the Settlement/Land Acquisition Grant. The broad aims of the Redistribution Programme

³⁵⁴ Turner S, Land and Agrarian Reform in South Africa: A status report, 2002, Research Report no. 12, PLAAS, August 2002

³⁵⁵ Marcus T, "National, Class and Gender Issues in Land Reform", A Harvest of Discontent: The Land Question in South Africa, De Klerk M (Ed.), Idasa, Cape Town, 1991, p. 25

included bringing about a more equitable distribution of land to contribute to national reconciliation and political stability and to alleviate landlessness. The 1996 Constitution gave the South African government the right to expropriate land for the purposes of redistribution, but this option had not yet been utilised at the time of writing.

Overall, my evaluation of the Redistribution Programme is critical as the comparative material shows that the South African Redistribution Programme does not compare favourably with the redistribution data from other countries undertaking similar programmes. South Africa has redistributed less land, in similar time periods, than Zimbabwe, Brazil, Cuba, Chile, Japan, Mexico and China. A substantial part of this chapter was accordingly allocated to identifying and discussing the factors that contributed to the initially very slow pace of redistribution. These include problems that emerged around the Settlement/Land Acquisition grant and consequent communal land purchase, production and management (e.g. Communal Property Associations), and bureaucratic shortcomings (including corruption) and capacity constraints within the Department of Land Affairs.

Another reason for my critical evaluation of the Redistribution Programme is the fact that there is virtually no evidence that South African communities who accessed land through the Redistribution Programme have benefited financially. On the contrary, evidence indicates that some beneficiaries are poorer than they were before they participated in the programme.

The Land Redistribution for Agricultural Development Programme was a positive policy response to the shortcomings outlined above and will hopefully go a long way in improving the process. However, a number of the problems that emerged during the implementation of the Redistribution Programme have not been addressed by the subsequent policy.

Therefore, the Land Redistribution for Agricultural Development Programme will continue to be plagued by problems relating to land valuation, lack of capacity to implement the programme, the power of current landowners to influence the process³⁵⁶, the implications of market-based³⁵⁷ and demand-drive redistribution, excessive bureaucracy and the often inefficient artificial separation between the restitution, redistribution and tenure reform programmes.

Further, a number of problems particular to the Land Redistribution for Agricultural Development Programme were identified and discussed. Some of these are the alleged loss of capacity due to the introduction of a moratorium, the lack of consultation in adopting the policy, unclear inter-departmental role and responsibility allocations, the neglected position of farm workers and labour tenants, inappropriate beneficiary

³⁵⁶ Former landowners have the power to influence land valuations and sales negotiations. In other words, landowners can influence how much and which land is available for redistribution and at what price.

³⁵⁷ Successful demand-driven market-based land reform in South Africa requires the repeal of the Subdivision of Agricultural Land Act, as discussed in this chapter. Obviously, smaller pieces of land will be more affordable than current farms.

selection, possible loss of legitimacy, the diversion of residential projects, unrealistic views of farming and the fact that (potential) beneficiaries engage in multiple livelihood strategies. Furthermore, the minuscule proportion of the national budget allocated to land reform indicates that land reform is still not a priority for the national government.

The chapter also examined land redistribution options used internationally, but not in South Africa. These include introducing a land tax on agricultural land, introducing a land ceiling, and expropriating under-utilised land. Land tax policies are used to release land for redistribution, to raise public revenues, to encourage more efficient land use and to discourage speculation. However, there are few examples of land tax policies working effectively as land redistribution mechanisms and the introduction of a land tax in South Africa is not likely to contribute to the release of significant amounts of land for redistribution and can have a negative impact on current levels of agricultural production and consequently food prices. There does not appear to be conclusive evidence that introducing land ceilings contribute significantly to land redistribution and it does not seem to be an appropriate policy for South Africa. Redistributing under-utilised land can have two possible positive consequences - first, a more equitable distribution of land, and second, increased agricultural production. However, in the absence of adequate information regarding land use, quality and ownership, such a policy is not likely to increase the scope and pace of land redistribution in South Africa.

A number of salient themes emerged from the material analysed and discussed in this chapter. These are the “elite” capture of the benefits of land redistribution, the lack of post-settlement support to the beneficiaries of land redistribution and the market-based approach to redistribution.

“Elite” capture of the benefits of land redistribution.

A theme that emerges in this chapter with regard to redistribution (and throughout this thesis with regard to land reform in general) is the “elite” capture of the benefits of land redistribution (reform) – i.e. the exclusion of the poorest sectors of society from the benefits of land reform.

Although the Redistribution Programme was (in a sense) developed to benefit the poorest members of South African society – i.e. only households with a combined income of less than R1 500 per month could qualify for the Settlement/Land Acquisition Grant - many other aspects of the policy contributed to the exclusion of the poorest (most marginalised) from the benefits of the programme. For example, the Settlement/Land Acquisition Grants which were set on the same scale as the housing grants, successfully discriminated in favour of the poor, but were so small that land reform beneficiaries could only acquire land by forming (sometimes completely capricious) groups.

Quite obviously, group ownership of land creates a host of other related problems. One such issue, which is discussed at some length in this chapter, is the implicit assumption among officials from the land and agriculture departments that communally acquired land would be farmed communally. This, notwithstanding the history of Africa (and Asia and

Latin America³⁵⁸) of failures in state engendered co-operative farming (which I have recounted in considerable detail), and despite the lack of training and preparation among beneficiaries for undertaking joint operations.

The exposition on the Land Redistribution for Agricultural Development Programme has highlighted the ways in which this programme could facilitate “elite” capture of the benefits of redistribution and rural development. The range of land grants introduced by the Land Redistribution for Agricultural Development programme (mostly targeted at more experienced black farmers with access to at least some resources) will probably not (given the international evidence) alleviate poverty.

One of the reasons why both the Redistribution Programme and the Land Redistribution for Agricultural Development Programme tend to exclude “the poorest” sectors of society from the benefits of redistribution, is the general failure of policy developers to keep the degree of socio-economic differentiation in rural areas in mind when programmes are planned and implemented.³⁵⁹ Essentially, as a result of apartheid, the great majority of black rural South Africans are poor. However, the “rural poor” is a highly differentiated group – in terms of locality, identity and social practices, gender relations, and class and livelihood strategies, to name but a few. Accordingly, it is very difficult, not only to develop, but also to implement and evaluate the success of, policies that aim (as in the 1997 White Paper on Land Reform) to redistribute land to broad categories such as the poor, labour tenants, farm workers, women and emergent farmers.³⁶⁰ A likely consequence is the exclusion of beneficiaries from the policy process and accordingly, failed land reform, or increased inequalities in rural areas that could lead to direct action or violence.

Relate to the above (and a further reason for the exclusion of the poorest sectors of society from the benefits of land redistribution) is the failure of policy developers to sufficiently incorporate the needs and demands of potential beneficiaries in policy formulation and implementation. An excessively (or cumbersome) bureaucratic redistribution programme, for example, is an indication that the needs and demands of potential beneficiaries have not been incorporated into the policy process.

A final contributing factor to “elite” capture is beneficiary selection, for example, the commitment in the White Paper to prioritise work with “organised” groups of landless people, by definition excludes marginalised (i.e. not organised) communities.

The lack of post-settlement support

The lack of post-settlement support to land reform beneficiaries and the negative consequences thereof is also a theme that emerges in this chapter and throughout this thesis. Examples throughout the thesis include the discussion on successful small-scale

³⁵⁸ Zimbabwe, China, Mozambique, Tanzania, Peru, Chile and Mexico.

³⁵⁹ This salient theme also emerges throughout the thesis and is particularly evident in chapter ten.

³⁶⁰ Section 4.3, page 38.

farming in chapter three, the discussion on income generating restitution projects in chapter six and the discussion on sustainable tenure reform in chapter eight.

In the case of the Redistribution Programme, state support was limited (generally) to land purchase and the government supplied very little post-settlement assistance to beneficiaries (including prospective farmers). In other African countries – Zimbabwe’s communal areas, for example – there was much more extensive government support, particularly for small-scale farmers, and as discussed in chapter three, this was one of the crucial factors in determining the success and sustainability of small-scale farming efforts. This is a particularly pertinent issue with regard to South Africa’s Redistribution Programme because the selection criteria (less than R1 500 per month per household) means that land redistribution beneficiaries do not have the resources required to begin farming operations, nor do they (generally) have access to appropriate infrastructure – schools, clinics, water, electricity and passable roads.

To add to this, too often, the land that was bought by beneficiary communities, was unsuited to small-scale farming operations, or was marginal land that required substantial investment for operations to become profitable – for example, former maize and cattle farms on the Highveld, or projects were implemented in areas where theft, land invasions and violence were widespread.

Although (as the former minister of Land Affairs pointed out) effective land reform partly depends on selecting the right people, through the right process and resettling them on appropriate land, it is crucial that the beneficiaries of resettlement and redistribution programmes receive post-settlement support, financial services and infrastructure. This should include training, transport, access to markets, access to credit, education and healthcare. The sustainability and success of a land redistribution programme depends to a large extent on such support.

In addition (and this was highlighted by the discussion on population³⁶¹ pressure and my fieldwork at Sheba) land redistribution is not likely to succeed unless it is seen as one aspect of a broader rural development strategy that emphasises employment creation in rural areas and includes methods to increase the carrying capacity of land.

Market-based land redistribution

This is a theme that is closely related to the two themes discussed above. Essentially, both the South African Redistribution Programme and the Land Reform for Agricultural Development Programme are undertakings based on market principles (i.e. willing sellers and willing buyers) in which the state subsidises land purchase. This “market-based” approach is an important factor influencing the extent and impact of land redistribution. Partly because of the imperfections of “the market” itself, some of which stem from ideological and political predisposition among buyers and sellers.

³⁶¹ Experiences in Zimbabwe’s communal areas indicate that population increases may negate the positive impacts of land reform.

A recommendation that emerges from this chapter and, which is informed particularly by the Zimbabwean experience in the 1980s, is that the state should embark on a more supply-led redistribution programme - i.e. the state plays the role of market intermediary, buying land from sellers and then itself selling (at subsidised prices) to suitable beneficiaries (i.e. land type/size matches beneficiary need/resources/experience). As the discussion on land prices indicated, the land redistribution programme is such a small percentage of the overall land market, that such an increased role for the state is not likely to effect land prices, and if it does, the effect will probably be localised.

Furthermore, the discussion on market-based reform, drawing on evidence from Zimbabwe over the last couple of years, suggest that there is a relationship (not necessarily causal) between (slow) market-based reform and direct action (or even violence).

It is therefore recommended that current efforts to decentralise land redistribution in South Africa continue. Furthermore, a supply-led programme, working in conjunction with the current demand-led redistribution programme on a case by case basis, should be implemented. Finally, the current structure with one ministry and two departments with their various provincial and local branches should be reconsidered with efficiency as an end result.