

CHAPTER 6

CONCLUSION

There were two central aims that guided the study: the first aim was to evaluate the objectives, successes and failures of the South African Land Redistribution Programme from 1994-2005. Secondly the study evaluated the extent to which the South African Land Redistribution Programme through LRAD reflects the aspirations, and vision of Broad Based Black Economic Empowerment and Agri-BEE. This analysis was conducted through an LRAD case study called Calcom PTY LTD in Barberton, Mpumalanga.

The former objective was achieved through dividing the South African Land Redistribution Programme into two historical epochs namely the one spanning 1994-1999 and the one covering 1999-2005. Through an analysis of the agrarian reform literature the study noted that from 1994-1999 land was redistributed: however there were limited inroads in deracialising the Agri-economy. For instance from 1994 to 1999 over 667 285 hectares of land redistribution programmes were approved: however Hall (2005) argued that the transfer of land did not amount to wider changes in access to resources and infrastructure. .

The aforementioned resulted in the study observing that, lack of post-support, group dynamics, long bureaucratic and approval mechanisms, and the imposition of inappropriate business plans for poor communities were responsible for the failure of SLAG to champion the aspirations of Agri-BEE. Furthermore an interesting trade-off resulted under SLAG whereby the pro-poor features of the grant, which enabled poor households who received below R1 500 a month to get access to grants ended up becoming an impediment for emergence of black commercial farmers, since it was too little.

As a result of these limitations and trade-offs experienced under SLAG, the second part of the literature review focused solely on the remedies employed by the Department of

Agriculture and Land Affairs from 1999- 2005. The study identified LRAD as one of the key panaceas employed in order to champion the aspiration of deracialising the Agri-economy. This culminated in the formulation of the second research aim, which evaluates the extent to which LRAD reflects the aspirations, visions and broader objectives of Broad Based Black Economic Empowerment.

The latter aim was achieved through assessing the extent to which LRAD represents a radical break from the limitations of SLAG. As reviewed in the literature review chapter, while attempts were made under LRAD to further the aspirations of Broad based Black Economic Empowerment, limitations inherent within the land redistribution programme hampered the achievement of the latter objective. Chief amongst these limitations is the market-assisted land reforms and top-down elitist development approaches.

Furthermore it was noted that LRAD represents a break from the previous grant system that was pegged at R16 000, by providing minimum sliding scale grants of R20 000 in order to facilitate land redistribution to black people. This resulted in an accelerated pace of land redistribution from 1999-2005 which average 1 347 943ha of land that was redistributed through the redistribution programme (Umhlaba Wethu 2005). Even in the face of this, success, trade-offs and limitations experienced under SLAG continued to characterise the South African Land Redistribution Programme. It is because of these persisting limitations that the study explored the extent to which the new grant system LRAD heralds the broader objective of deracialising the Agri-economy.

To answer the question posited above methodologically, LRAD case study named Calcom PTY in Barberton Mpumalanga was utilised. The case study was chosen because it had the features that heralded the aspirations of BBBEE and Agri-BEE. The case study approach was used in order to extrapolate in-depth knowledge of the case. However, as was observed in Chapter 3 of the methodology section, the case study's strength can sometimes be its limitation since one cannot generalise the findings of the study based on an in-depth study of a single case study. However one of the advantages of conducting a qualitative study is that the qualitative approach provides a rich contextual perspective

which may not be gained from using a quantitative research method. As a result of the reflection conducted through the Calcom case study, analysis of the findings was generated.

One of the key findings of this study is that the construction of the greenhouse puts Calcom in a better position to herald the aspirations of LRAD, BBBEE and Agri-BEE of commercialising black farmers. The prerequisite is that infrastructural support offered under CASP should be paired with wider changes in access to training, finance, and post-transfer services for Calcom beneficiaries. The abovementioned made the researcher conclude that a R 20 000 grant offered under LRAD might not be adequate to facilitate the emergence of black commercial farmers if beneficiaries at Calcom do not get the financial support they need for production to commence on the farm.

Consequently it was argued that the limitations of LRAD are bound to undermine the broader objective of deracialising the agricultural sector as most black farmers get access to land but they cannot sustain it due to lack of finance for production to commence. The failure to sustain more black people in the agricultural sector is bound to limit LRAD's ability to attain the 2015 target that links it with those set under Broad Based Black Economic Empowerment and Agri-BEE. Hence this study argues that the link between LRAD and Broad Based Black Economic Empowerment is observable in theory but at the project level it dissipates. These results in the exclusion of the designated groups targeted for these three policy frameworks.

Using a corpus of development theorists outlined in this study, this paper noted that the exclusion of poor people results from the biased categories created by policy-planners in order to decide which farmer is progressive and which farmer is archaic. Out of all the development theorists, Escobar (1997) argues that there is an essential link between how policy-planners conceptualise social reality and their intervention, since the course of action taken to 'right' these 'wrongs', to optimise in the face of inefficiencies, or to force 'tradition' into the realm of modernity. Hence the critical political economic school of thought proposes a different approach to right these wrongs. They propose that the first

step is to deal with the agrarian question. According to the radical political economic school of thought, the land question is no longer the classical question of the advancement of capitalism but the question of the dispossessed. According to this school the only way to deal with the mass of the unemployed poor is to adopt a bottom-up approach to development.

However articulate the political economic approach is in answering the land question, the question that remains unanswered by this study is the role of women in LRAD projects, as was posed in the findings section of the study. This perhaps serves as a platform for recommending a thorough investigation of this topic for future research.

Since one of the findings in this report is that even though women form the backbone of the agricultural sector, they still occupy less influential positions.

Another key finding of the study outlined in chapter 5 is that the legalistic technical jargon used in outlining LRAD, BBBEE and Agri-BEE is not well understood by the majority of LRAD beneficiaries. Based on this finding, the study anticipates that people that have a good chance of benefiting from these programmes are the select few whose exclusive knowledge of these programmes will enable them to use these programmes to their advantage, while the resourced poor citizens will remain excluded.

Chapter 4 of the findings proved how important it is for DLA and DALA officials to possess the knowledge of the clause contained in the Broad Based Black Economic Empowerment Act 53 of 2003 if they want to satisfy post-transfer needs of LRAD beneficiaries. As DALA officials were able to invoke the BBBEE clause that states that companies which export overseas must have 30% of their companies black owned. As a result DALA officials were able to encourage the Renee farm owner to provide access to markets, training and mentorship for Calcom beneficiaries.

Provided this knowledge is used effectively it could encourage a stakeholder buy-in from other role players who are important towards ensuring the success of black farmers. For instance, due to the law of unintended consequence big chain stores like Woolworths

played a crucial role in Calcom success by pressurising the Renee farm owner to also have 30% of his company being black-owned if he still wants to have a contract of supplying them with vegetables. To get more of these arrangements made, other big enterprises have to be encouraged to be involved in facilitating the success of LRAD projects. These enterprises could also prove useful in providing black farmers with access to markets, since most markets in the agricultural sector are based on long-established white networks which serve to exclude black farmers.

As was exemplified in Chapter 2, markets are not void of inequalities, whether racial or economic. Through the works of Greenberg (2004), the study discovered that land markets are blind to the demands articulated by the poor: instead the market responds to people who articulate their demands through their currency. Drawing from the Namibian context enabled the study to conclude that transactions conducted between private buyers and private sellers are more effective than those conducted between the state and the private sector. Most of the respondents believe that the main challenge confronting land redistribution in provinces like Mpumalanga is that farmers prefer conducting their transactions with foreigners than the government, since foreigners have readily available cash which facilitates the speed of the transaction. This propelled the study to question the efficacy of land markets in advancing the aspiration of Broad Based Black Economic Empowerment and Agri-BEE.

Even though the aforementioned failures of the land market are conspicuous, the study shows that market-assisted land reform was a preferred policy option until recently-uttered comments made by the Deputy President of the Republic of South Africa, Phumzile Mlambo Ngquka, at the closing day of the June 2005 land summit suggested that the government intends to revise the market-led willing buyer willing seller approach. However Chapter 5 warned against the euphoria that might result from hearing such utterances, because the 1994 policy formulation process showed how easy it is to turn a societal consensus into elitist consensus when the final product of the policy document is published. This is what Levin (1997) called a technicist top-down approach to policy formulation. The elitist consensus denotes a consensus by central actors such as

delegates from different interest groups, policy-makers and politicians during policy developments. It is important to note though that during the policy formulation process not all powerful interest groupings conceded to the outcomes of the policy formulation process of market-led land reform. However the ANC policy government planners preferred the market mechanism to resolve the agrarian question.

Regardless of this history Chapter 5 of the discussion section shows that the nation expects the ANC government to listen to the people who voted into to power. However using Fanon's (1967) analysis it was concluded that post-colonial rulers are well known for failing to rise up to their constituencies expectations, since they rely less on the bottom-up approaches to development. Hendricks (2001) blamed this on the protracted nature of policy formulation in the post-independence epoch, where competing objectives dictate where the pendulum of policy choice swings to. The study revealed that the pendulum of the post-apartheid land reform policy swung towards market regulation as opposed to social regulation. This phenomenon is typical of all the countries where the World Bank has influenced the policy-making process.

This analysis exemplifies a land reform policy which is de-linked from the concerns of the rural poor. Hence the study concludes that true empowerment of the rural poor can only occur if they participate meaningfully in the policy formulation processes that are meant to empower them. Moreover Chapter 5 of the discussion noted that the first step towards real economic empowerment is access: access to decision-making, land and productive assets.

Therefore the study concludes that the only way the aforementioned can be achieved is if there is state intervention. As observed by Lahiff (2003), placing the responsibility of empowering the poor on market forces has not produced desired effects and impact, since the market through its principles of the willing buyer willing seller approach limits poor peoples' scope of choice, suitability and quality of land parcel. As a result after, 11 years of democracy, only 4,3% of land has been redistributed.

The case study chosen in this study heralds the importance of state intervention in facilitating land redistribution and real empowerment of black people, so that they could participate meaningfully in the economic affairs of the country. As was shown in the methodology section and the findings and analysis section the state played a decisive role in the early stages of the Calcom project by helping beneficiaries access land rights and then providing post-settlement support through CASP in a form of R1, 2 million worth half a hectare greenhouse.

Even though state intervention was helpful there was not enough stakeholder buy-in from other social partners. Hence the preferred option from DALA officials in Ehlanzeni district to merge Calcom beneficiaries with a private partner. The study concludes that while this private/public partnership is helpful in terms of providing LRAD beneficiaries with access to the market, the unintended consequence is that it unconsciously encouraged DALA officials to abdicate their responsibilities. As opposed to a public institution providing assistance to LRAD beneficiaries, private stakeholders have a tendency to putting premium on profit and co-opting LRAD beneficiaries on the process through share equity schemes. Therefore the study warns that if LRAD projects are not well monitored and managed by the state, their sustainability might be in jeopardy.

Notwithstanding the above mentioned, Chapter 4 of the study revealed that the state is not perfect either, since institutional and bureaucratic delays and lack of capacity have a potential of threatening the viability of LRAD projects. Therefore a healthy balance needs to be struck between involving private institutions while maintaining a closely monitored project planning and implementation on the part of the state. This will ensure that the ANC government's vision of grooming a stratum of viable black commercial farmers is achieved, while attention is paid to meeting the needs of the broader rural population.

In conclusion the researcher hopes that the findings gathered in this study can stimulate more research on the efficacy of LRAD in heralding the broader objectives, visions, and aspirations of BBBEE and Agri-BEE. Although some of the findings emerging in this

study are particular to this study; most of the findings in the study also represent a consensual view shared by many scholars in the agrarian reform literature on how to best undertake successful land reform policy.

For instance, Cousins (2005) proposes that land reform will only be effective if embedded within a broader agrarian reform programme that creates the conditions for processes of accumulation from below. Moreover a paradigm shift is needed in order to focus the states' policies on agrarian reform. This involves government recognising its central role in land and agrarian reform and developing sufficient resources to redistribution, small farm development and rural enterprise promotion. The second shift is towards actively promoting the active participation of the beneficiaries of agrarian reform in the process of policy-making, planning and implementation. The third involves placing the multiple- livelihood of the rural poor, emerging opportunities for the petty commodity production, at the centre of policy.