

CHAPTER 5

DISCUSSION

5.1 Discussing Calcom through the prism of SLAG and LRAD

The Calcom case study revealed the importance of reasserting the state's role in bringing about development in South Africa. What emerged from the study is that state's intervention, especially when it is fostered in the early stages of land reform projects, can make a big difference. The merits of the Calcom case speak for themselves. For instance, state support resulted in security of land rights for LRAD beneficiaries and the purchasing of R1,2 million worth of greenhouse structures for post-settlement development of the farm.

By the same token, the failure to secure all post-transfer developmental needs of the case revealed that the state alone cannot achieve all post-settlement needs of LRAD projects. Instead there is a need for a complete intervention from other stakeholders, namely civil society groupings, NGOs, municipal councils and the private sector. However, one of the fatal errors that is often made by government departments on the notion of encouraging a buy-in from other role players, is their tendency to reduce the notion of participation to the private sector, while excluding other role players like civil society and NGOs. This results in a complete reliance on the private sector to achieve the goals of land reform, while the public-private partnerships encourage the state machinery to abdicate its responsibilities while trying to involve the private sector. As opposed to a partnership between the public and private sector, what tends to emerge is a parasitic relationship between the state and the private sector. The study revealed this by outlining a bias that exists in government departments towards joint venture partnerships between LRAD project beneficiaries and private farmers.

While this partnership strength is in regard to providing access to markets, training and mentorship, it unconsciously relieves government officials from discharging some of their responsibilities. In other words the intervention of the private sector is sometimes

used by government officials as an escape route or a coping mechanism that affords them the luxury of focusing on their “core business” of delivering hectares while neglecting the so-called secondary mandate of their job, which is to develop the land that they helped deliver. This shows that the problem experienced during SLAG of prioritising land delivery over agrarian reform is still persisting.

The Calcom case, through a proposed partnership with a white farmer called Peter Barker, also revealed that government’s vision of creating a class of viable and independent black commercial farmers might also be sacrificed on the altar of private-public partnership (PPPs). This study argues that, while PPPs might be good in the initial stages of a project, in the long run it might breed dependency of black commercial farmers towards private farmers. This will not be sustainable in the long run, as Cousins (2000) warned that black commercial farmers face the threat of being co-opted in this share equity scheme. For instance Peter Barker threatened to buy the Calcom farm and employ a few beneficiaries in his project. Regardless of these potential dangers PPPs pose on LRAD projects, it is still considered the safest and easiest way of empowering black commercial farmers by DLA officials.

As such, black commercial farmers are expected to emerge in a context where there is a bias towards partnerships with white commercial farmers. It is because of this error in judgment that this report proposes a paradigm shift, which will not confine training and mentorship as the prerogative of private farmers but also perceive it as a task that requires a multifaceted approach which will also recognise the critical role that could be played by civil society movements and NGOs such as Transvaal Rural Action Committee (TRAC) and Land Access Movement of South Africa (LAMOSA).

The failure to provide all the financial and post-settlement needs of the Calcom project by DALA offices has the potential of disengaging the LRAD programme from a broader framework of transforming the agrarian economy. The end result has been that the Calcom beneficiaries are unable to engage in viable agricultural ventures, which to date have remained the key domain of white farmers (Kariuki 2004). This reinforces

stereotypes cited by one DALA official who stated that “white farmers are indispensable to the success of black farmers; we simply cannot do without their vast experience and skills.”

It is because of this deeply entrenched belief in the superiority of white farmers and inferiority of black counterparts that this study asserts, through the Neoclassical school that the fate of black farmers cannot be left to the mercy of white commercial farmers if the government vision of creating an independent layer of black commercial farmers is to be realised. The state must intervene decisively through the Comprehensive Agricultural Support Programme.

In the interim the Comprehensive Agricultural Support Programme by the DALA could also be used by Calcom beneficiaries to engage in food crop production (South Africa, Department of Agriculture, 2004). This could help to relieve the burden of using the money accumulated from leasing property on the farm to continue producing crops in the vegetable garden initiated by beneficiaries on the farm. This extra hand of support from the state could also help facilitate the teleological growth of the project, from being a subsistence farm into a large-scale commercial farm that was envisaged in the project’s business plan.

It is this disjuncture between objectives written in the business plan and the activities that take place on the project level, that compromises the broader objectives of LRAD and Agri-BEE. For instance what emerged from the field notes is a discrepancy between the livestock training provided to beneficiaries by DALA and the objective of food crop production written in the Calcom business plan. This clearly shows that the training provided at DALA does not occasionally correspond with the goal of LRAD projects.

Kariuki (2004) states that the inexperience of officials in managing LRAD projects leads to loss of interest on the side of beneficiaries.

In summary, the Calcom case study replicates numerous problems associated with the South African Land Redistribution Programme. For instance, the overburdening and

inexperience of state officials, poor coordination amongst provincial departments of agriculture and local government leading to poorly designed projects and lack of enough post-settlement support, conflicting group dynamics, long bureaucratic and approval mechanisms, and the imposition of inappropriate business plans for poor communities and commercialisation (Kariuki 2004). Therefore, it is with these persisting limitations of LRAD that the author now turns to the next section, which explores the efficacy of LRAD in attaining the aspirations of Broad Based Black Economic Empowerment.

5.2 Analysing the Calcom Case Study through LRAD, Broad Based Black Economic Empowerment and Agri-BEE

“We started with a big bang and now we are stark, we had big dreams for Calcom but reality caught us”(Mark Anthony, scientist from DALA).

The above quote represents one of the major limitations in the current grant structure. LRAD is preoccupied with commercialising farmers without the provision of basic services that are required for the emergence of these black commercial farmers. The Calcom case study is a classic case of how commercialisation bias results in the construction of commercial structures such as the greenhouse without provision of basic services such as skills development or capacity building, and agricultural extension services. Without access to basic services mentioned above LRAD programmes become dislocated from the aspirations of Agri-BEE of providing previously disadvantaged individuals with access to land, inputs, financing, expertise, training and marketing.

As noted earlier in the study, the farm occupied by Calcom beneficiaries is not conducive to commercial agriculture. This omission could have easily been identified and averted by extension officers and land surveyors or land developers employed by the DLA to assess the quality of the land vis-a-vis the project aims. This reflects a serious challenge of lack of capacity amongst land affairs officials, and a mismatch between project aims and project approval processes. This disjuncture has the potential of undermining the achievement of Agri-BEE targets which was aptly captured by Kgosana (2005):

“The Agri-BEE process must therefore help to contribute to government’s objective of ensuring that 30% of agricultural land is owned by black South Africans. This is said notwithstanding the fact that the Agri-Bee framework proposes an extra 20% of high potential land.”

This disjuncture undermines the assumption embedded in LRAD that developing a class of black commercial farmers will generate a positive link with Broad Based Black Economic Empowerment and Agri-BEE.

Chapter 3 of the Methodology section revealed that one of the difficulties encountered by the researcher in extrapolating data on the philosophy of BBBEE, and that of Agri-BEE from Calcom beneficiaries of LRAD, was lack of knowledge in this regard. The implication drawn from this is that while BBBEE philosophy might be understood in government departments, there is little evidence of the awareness of LRAD beneficiaries on these philosophies. Using Escobar’s (1997) analysis, it can be concluded that technicalities involved in BBBEE and Agri-BEE philosophies and language excludes the very same people that it intends to help. As a result women, the youth, and Africans found at Calcom are left excluded from these categories. This calls for capacity building in this regard, as Dalton (2000) argues that true empowerment can only occur once beneficiaries of empowerment are capacitated mentally and materially. Mental empowerment involves developing beneficiaries’ knowledge base and confidence in their abilities as black farmers. According to Kgosana (2005) mental empowerment also involves a serious shift in mindset so as to erode stereotypes that black farmers make bad farmers. This is in line with the Neo-classical assertion that there is a need for debunking myths that black farmers are not good farmers.

To challenge this stereotype the government introduced the new grant structure LRAD. The new grant structure was also meant to break with the old grant package known as SLAG, but the amount of money provided under LRAD still falls short of meeting the demands of commercialising black agriculture. This happens in a number of ways: firstly the R20 000 minimum grant that is made available to poor applicants is opted for by

many applicants. The majority of LRAD applicants qualify for the R20 000 land sliding grant while only a few South Africans qualify for the R100 000 grant. The disadvantage of qualifying for R20 000 is that it is too little to buy a farm. For instance in provinces like Mpumalanga and Kwazulu-Natal, where the country's high potential land is concentrated, land is expensive. A study conducted by the Rural Action Committee (TRAC), Land Access Movement of South Africa (LAMOSA) and Mpumalanga Land and Agriculture Committee (MLAC) estimated that half a hectare costs three thousand rands.

The end result is that poor beneficiaries like those found at Calcom end up pooling their R20 000 grants in order to buy expensive land sold at the land market. For instance Calcom beneficiaries had to combine their R20 000 grant in order to purchase the R800 000 farm they currently occupy. And because Calcom beneficiaries accessed the grant through sweat equity they end up having to work the land for a long period without any pay, and Cynthia Mahlalela from the Department of Agriculture and Land Affairs points out the implication of this for Broad Based Black Economic Empowerment:

“LRAD has a share equity scheme: this scheme is mostly exploited by farmers who realise that let me give my farm workers a share of property because they are stealing my chickens. Other farmers hear that there is a share equity and decide to tell their labour tenants about this programme. They tell these tenants that LRAD will give them money so that they may come and buy shares their farm. The farmer then buys beneficiaries out after five years. Most white farmers take advantage of the fact that beneficiaries turn to be impatient: for example, with sweat equity, you will find them complaining that after five years, ‘I am still a worker and I don’t earn enough as a shareholder, I’d rather get my money back.’ The white farmer will then give them R20 000 and buy them out, and the department is not checking out on that.” (Miss Mokgadi, planner from DLA, 16 September, 2005).

In spite of the above-noted complaints, the deal that is about to be struck by DALA officials and Peter Barker has the potential of redeeming Calcom beneficiaries from the

shackles of sweat equity, in particular because prospects of getting paid once production commences are high. However, evidence from the discussion of the case reveal that it is not easy to clinch such a deal. Officials had to invoke the Broad Based Black Economic Empowerment Act no. 53 of 2003, which states that 30% of a company that exports overseas must be black-owned. This could serve as a model for other cases of this kind. Such deals could also contribute towards the sustainability of LRAD projects, as many projects that are counted as part and parcel of the 4, 3% of commercial land that has been redistributed to black people in South Africa are on the verge of collapsing or have collapsed, finding their way into the hands of their former white owners as evidenced in the interview cited above. Evidence from the Centre and Development Enterprise (2005) report reveals that with most projects redistributed under LRAD, land tenure and land restitution collapse daily. However, these projects are still captured as being part of the 4, 3% of land that has been redistributed. This scenario was aptly captured by one of the DLA officials when she said:

“Land redistribution in our country can be compared to a revolving office chair “it makes one work very hard but takes him nowhere”. We have been working very hard over the last 11 years however we have delivered little: this is mainly because most of the land that is redistributed goes to beneficiaries who do not have money to sustain their projects and what exacerbates the situation is that these farmers get little support to ensure the sustainability of their projects. The end result is that the land that is redistributed goes back to the very same people who used to own it and no one is checking up on this. It is as if land redistribution, Broad Based Black Economic Empowerment and Agri-BEE are now used by bankrupt white commercial farmers as a front to resuscitate their farms” (Miss Cynthia Mahlalela, planner from DLA, 17 September, 2005).

Another official from DALA contends further that:

“The whole land redistribution programme has reduced project implementers’ jobs into that of a monkey: you see when a monkey steals a corn in a farm it puts one in its armpit and then goes for another one with the very same hand it used to hide the first one. When it goes for the second one it opens its armpits and then the first one falls while trying to get a new one. By the time it finishes, it ends up having one corn because all the others fell while it was trying to get to new ones”. The same thing is happening with us here in the department. Each and every time you will hear me saying I have helped new beneficiaries acquire land but guess what happens after a year: the very same projects collapse and instead of us devising mechanisms of resuscitating them we proceed to help new beneficiaries acquire land. This is primarily because we are under pressure to deliver hectares, the public and political parties rate our performance based on the hectares we deliver without looking at the sustainability of these projects. I fear that by the time I retire I would have been able to deliver so many hectares of land whose projects have all collapsed. The question that I keep on asking myself is, ‘ after I have retired would I look back boldly and say I have contributed to the advancement of black South Africans or not?’ I think the latter will hold” (Mmako, extension officer DALA, 1 November 2005).

It is because of this reality in land redistribution that this study asserts that a genuine land redistribution to back people can only occur if projects are sustainable and one way of attaining this is through invoking Agri-BEE clauses that will accelerate the goals of land redistribution²³.

²³ Agri-BEE encourages the Agri-business to commit to lease a further 20% ‘high potential’ land to black people by 2014; and making a further 10% of land available to farm workers for their own farming activities.

5.3 Charting a new course for land reform policy: the June 2005 land summit

The purpose of this section is to reflect on the South African June 2005 land summit. The summit was a landmark in terms of the review of the progress made this far in terms of achieving the objectives of the South African Land Reform Programme. It afforded delegates from all over the country the opportunity to share their experiences. Social partners from labour, business and government exchanged ideas on how the land question ought to be addressed. Even though the environment created at the land summit was that of exchanging ideas, conflicting perspectives were to be expected as role players occupy different realities and land means different things to different stakeholders.

Nonetheless different social partners may, in terms of their social realities, be a unifying factor in that all partners were interested in the achievement of the 2015 goals. However ambitious these goals may sound in theory, most respondents, with an exception of few, believed that they were attainable only if correct instruments could be put in place. For instance Mr Mmotla, who is a Project Officer at Ehlanzeni Region noted that the 2015 targets are attainable only if the budget for land reform increases. “People are running with more than 8 projects, it is too much, we are understaffed and overloaded”. If the budget for land reform is increased the department will be able to employ more officials so as to accomplish the mission of redistribution land. This will show that there is a political will on the side of the government to fast-track land reform. Despite the noted problem, Mather (2000) observed that the 30% target of land that has to be redistributed to black individuals by the year 2015 is out of reach, since the government has only managed to redistribute 4, 3% of land after 11 years and a further 28% of land is yet to be redistributed in 4 years time, which is not feasible.

However good the idea of fast-tracking land redistribution might sound on paper, potential dangers of fast-tracking land redistribution might exceed the benefits, especially if incorrect measures are adopted in the name of fast-tracking land redistribution. For instance Tilley (2000) states that fast-tracking land reform encourages a quantitative as opposed to a qualitative approach to land reform. The main aim of officials expected to

fast-track land redistribution ends up becoming delivering hectares as opposed to developing the land that they helped deliver.

To solve this and many other problems, different propositions were made in order to resolve these challenges facing the South African land reform process. These propositions ranged from expropriation without compensation, land tax and different respondents had a different take on these propositions. For instance one of the officials from the Department of Land Affairs noted that expropriation of farms is still not good enough, since the government will still have to pay at the end of the day whether we expropriate or not (Interview with Shamlar Govender, head of the policy and implementation unit at Department of Land Affairs, 21 September 2005). Instead we must adopt a Namibian approach, where the government buys land from farmers and gives people 90 days to articulate their demand for land. This is called a supply-led approach to land reform. Mr Sthembiso Mbuyane from the Department of Agriculture agreed with the idea of expropriation as long as it is carried out by the government:

“For instance in Mpumalanga people are already asking me if they can point at the farm and take it. I heard an extreme comment during one of the sessions of the land summit in Mpumalanga where one old man stood up and said, ‘I want to tell you that a hungry man knows no law: we are patient enough but when the time comes we won’t listen to anyone, we will take farms forcefully.’ Everyone laughed at this old man but I tell you the truth this is where we are heading as a country if we are not careful with this idea of expropriation.”

When one looks at all the propositions made during the land summit there is nothing new: most propositions are reminiscent of those that were ignored when the first draft of the South African Land Reform Programme was designed. For example expropriation without compensation and land tax were part of the suggestions made at the Bloemfontein Conference. It is only now, after the willing buyer and willing seller approach failed to deliver, that the government is taking these propositions seriously. For instance at the closing day of the land summit the Deputy President of the Republic of

South Africa commented that they will either revise or modify the WBWS approach while incorporating all the suggestions proposed in the land summit. It will be interesting to see how far the government takes all the suggestions made by social partners when the outcomes of the DLA policy review discussions are made known to the public. The country's hope is that the government does not reinvent the wheel by considering seriously what exogenous influences such as the World Bank say, as opposed to indigenous voices coming from social partners who attended the land summit.