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FOREWORD

Land reform is probably one of the most important issues in the contemporary political debate in South Africa, and the challenge it poses is immense.

The land reform process is based on two principal targets: the restoration of rights in ancestral land confiscated by previous regimes; and the acquisition of private land or the distribution of state-owned land to the dispossessed. While 94% of land claims have been successfully settled, less than 5% of agricultural land has been distributed to landless black people since the advent of democracy in South Africa. The political players thus face a challenging task if they are to meet the government's 30% redistribution target by 2014.

Land reform should be seen as a complex political undertaking that needs to be dealt with as a process. However, the environment in which we find ourselves demands immediate and concrete results. In addition, land reform is not simply the process of transferring land to new owners; other factors which need to be considered are agricultural production, employment creation and maintaining production capacity. The real political challenge is therefore to achieve successful land reform in both quantitative and qualitative terms.

In concrete terms there is a strong need for post settlement support, advice and access to long-term credit lines with favourable conditions and tax benefits. A land reform process thus needs serious conceptual planning, which implies and requires an inclusive approach. From this perspective the land reform process should ensure that the new landowners benefit from the farming experience of the former owners. Training partnerships of this kind could have an additional integrating effect.

This concept of successful land reform contrasts with ideologically motivated land reform models. The consequences of the latter can be observed in neighbouring Zimbabwe's economic decline, where people are starving and an estimated four million out of 12 million habitants have left the country.

Bertus de Villiers is perhaps one of the most experienced experts on land reform. He was a constitutional advisor during South Africa's transitional period and has undertaken much research on land reform issues. The Konrad-Adenauer-Stiftung has published three of his books, namely: *Land Reform: Issues and Challenges (2003)*; *Land Reform: Trailblazers – Seven Successful Case Studies (2006)*; and *People and Parks: Sharing the Benefits (2008)*.

This policy paper is based on De Villiers's research collated over a period of five years. It should not be seen as a final report or as the last word on land reform. This paper is intended to provide decision-makers, government institutions, political parties, civil society organisations as well as landowners and landless people with a fresh insight on land reform that incorporates aspects of training, education, credit lines and accountability in order to achieve a sustainable and just distribution of land. We hope this paper enriches the debate on land reform in South Africa.



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LAND REFORM – A COMMENTARY

Bertus de Villiers

1. INTRODUCTION

The process of land reform in South Africa has been under way for more than a decade and it is an appropriate time now to assess the progress that has been made, to identify possible lessons learned and to make recommendations for improving the process.

The scale of land reform undertaken in South Africa is unique, both in terms of the targets that have been set and the time allocated to achieving those targets. The South African government's two core targets are the settlement of all land claims by March 2008 (this date has been adjusted several times) and the distribution of 30% of agricultural land to the previously dispossessed by 2014.

But land reform entails more than the settlement of land claims: it is a combination of land claims, acquisition of land, securing tenure, involving communities in the conservation estate, reforming communal land tenure, and building capacity to manage land. This paper will, however, reflect primarily on land claims as such and on the acquisition processes.

The paper does not pretend to be exhaustive or to cover every possible angle of the land reform debate.

It builds on available literature and on my personal experiences and observations based on the many interviews I have conducted over the years, the workshops and conferences I have attended and the case studies I have examined throughout South Africa.¹

The statistics on the settlement of land claims generally read well at face value. Nearly all land claims have been settled and millions of hectares of additional land have been acquired for redistribution. Many new farmers have been settled on land and billions of rands have been spent. There is, however, a lingering perception that the process is not going as well as it should.

Some of the criticism levelled at the process includes comments that: most of the progress has been made through chequebook settlements with cash being paid as compensation for land lost; the process is too slow; the principle of willing buyer–willing seller is undermining speedy transformation; food production may be affected; unemployment in the agricultural sector may increase; and the lack of government support and training for new land owners may result in post-settlement failures. As a result of the above factors, celebrations over the progress made in land reform to date are muted.

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One must acknowledge at the outset that since land reform has been under way in South Africa for a relatively short time, it would be unwise to draw definite conclusions as to its outcome. In the same way that it will take decades and possibly generations to rectify historical wrongs in the areas of health, education and housing in South Africa, given the scale of land reform required this too will take many decades to finalise.

Land reform is an intergenerational project that requires vision, the setting of realistic goals and measurable performance areas. It is not something a government can do on a short-term basis with emphasis only on the number of hectares of land transferred. Transferring land is simple; successfully settling new farmers is difficult. If South Africa returns millions of hectares of land to new owners without adequate training, it may lose its ability to sustain the country's agricultural production, with dire consequences especially to the rural economy.

Many countries have been struggling with land reform for years. Australia, for example, has for various reasons (and after more than a decade) been unable to effect substantial land reform in favour of the Aboriginal people. Many other countries such as Brazil, Chile, Kenya, Mexico, India and Namibia are also battling with their land reform processes. There were recently mass demonstrations in India's capital, New Delhi, with rural farmers and particularly women demanding more access to land and governmental support. Namibia is experiencing increasing complaints regarding the slow pace of its land reform process, while Zimbabwe is the poster child of the disaster that can be wreaked when land reform goes wrong.

No concrete opinions can be formed yet on South Africa's progress in land reform. The economic gains that the country has experienced in the past few years have shifted the focus to urban rather than rural development. This is an ideal time to ensure that land reform is planned properly and is based a solid foundations.

If economic growth slows down, as it inevitably will, the pressure on land reform coupled with limited access to land is likely to increase. The appropriateness and sustainability of existing land reform policies and the settlement support provided for new farmers will then be put to the test.

Few countries have had such unequal distribution of

land as South Africa. The task to bring about equity is therefore immense and it will not be easy to rectify the 300-year long historical wrongs in an era of high economic competition, scarce economic resources, deregulation, lack of subsidies, high unemployment, massive poverty and competing demands for government grants.

South Africa has a world-class policy and legal framework that sets out the guidelines and processes of land reform. This ranges from simplified administrative procedures to expedite the settlement of land claims, to land acquisition and various post-settlement support programmes. It is, however, generally acknowledged that the policy framework and the implementation thereof are under pressure from all sides.

This policy paper will comment on the progress made in South Africa's land reform process by:

- giving an overview of the current state of land reform and the settlement of land claims thus far;
- considering why there are little or no victory celebrations although the statistics appear to be good;
- assessing whether the land reform process is a success or a failure;
- proposing ways in which the process can be improved at a policy level;
- proposing ways in which the process can be improved at a practical level; and
- providing a brief conclusion.

2. STATISTICS: AN OVERVIEW (1995–2008)

The following are some of the key statistics² that demonstrate the positive progress that has been made in the settlement of land claims in South Africa since 1995 and in the acquisition of land through other schemes.

- More than 76,000 out of 80,000 land claims have been settled. This amounts to close to 94% of all claims.
- All urban claims have essentially been settled.

- Some 5,000 complex rural claims remain to be settled.
- More than 250,000 families, amounting to over two million people have become beneficiaries.
- Approximately 1.5 million hectares (ha) of land have been restored as part of the claims process, at a cost of approximately R5.6 billion.
- Approximately 3.5 million ha of land have been acquired outside of the land claims process.
- In 2006/7 a total of 259,000 ha of agricultural land were acquired in contrast to the previous year's 152,445 ha.
- Some 4.7% of agricultural land has been acquired so far.
- Claims on most of the conservation estate (national and provincial parks) have been settled, but management plans must in many cases still be agreed to.

These statistics are remarkable given the short time since the launch of the land reform programme. Few people, if any, would have predicted that from the cut-off date for the lodging of claims on 31 December 1998 to the end of 2007, more than 94% of land claims would be settled. At the time, the task seemed so daunting that even the staunchest optimists believed that substantially more time would be required to investigate, validate and settle all claims.

Although there has been some redistribution of land in urban areas, the overwhelming majority of urban claims have been settled through cash compensations and such settlements do not necessarily amount to 'land reform'.

It is not surprising that due to their complex nature rural claims have taken more time to settle. Rural claims are generally complicated because there may be:

- large tracts of land involved;
- large groups that claim the land;
- competing claims over the same piece of land;
- conflict within the claim groups;

- uncertainty as to who forms the claim group;
- complications in forming a community property association;
- disputes as to a business plan for the management of the land;
- issues between claimants who live on the land and those who live in urban areas but who also seek some benefit from the land;
- disputes between workers and the new owners; and
- resistance to the claim by the current land owner.

Substantially more time is required to prepare a rural claim and to conduct negotiations around it than is the case with urban claims.

Despite the encouraging statistics on the settlement of land claims, this does not necessarily mean that land reform has taken place at the level promised to landless people. It is apparent that the mere settlement of claims, especially by means of cash payments, does not amount to land reform. In addition, some claims that have been settled through cash compensation may be challenged by future generations, who may contend that the settlement was not fair, that elders were not well informed or that actual land rather than cash should have been accepted.

From the perspective of land reform, less than 5% of agricultural land has been transferred to black people. If measured against the target of 30% by 2014, the progress of land reform is not good at all, and at the current rate of acquisition it is unlikely that the target will be reached. Last year (2006–07) was the second most proactive year so far in the acquisition of land, but only 259,000 ha were acquired. This is a sizable portion of land if viewed in isolation, but if measured against the 30% target it falls far short of expectations.

The statistics show what is widely acknowledged, namely that the finalisation of land claims will not bring an end to land reform. Only a relatively small proportion of land will actually shift hands as part of the claims process. The main acquisition process is yet to build momentum. The World Bank has estimated that it may cost as much as R35 billion to acquire land to reach the 30% target. If account is taken that for every R1 spent on the acquisition of land, it is estimated that

at least R2–3 is required for short- and medium-term resettlement purposes, the total amount required to acquire land, resettle communities and establish successful operations may be as high as R100 billion.

This raises questions about the sustainability of land reform, the practicality and financial affordability of the current model and, more particularly, whether scarce resources are being utilised in the most beneficial way. The statistics therefore present a mixed bag: much success is recorded regarding the settlement of land claims, but slow progress is being made in reaching the 30% redistribution target by 2014.

3. IF THE STATISTICS ARE SO GOOD, WHY NO CELEBRATIONS?

This leads to the next question: if the statistics are so good, why are there no celebrations? Several reasons can be cited for this:

Success is not newsworthy

Successes in land reform are not often newsworthy. The media generally report on failures and not successes: cattle dying is newsworthy, but cattle grazing is not. The handover of land is therefore usually only of interest to the beneficiary community, and the media will pay attention only if there is a potential controversy.

Statistics on outcomes of land reform other than the mere handover of land may be more newsworthy. This would include such issues as employment creation, crop production, subsistence and security for the respective communities, secondary enterprises as well as other outcomes that demonstrate successful economic activity and development.

Refer in this regard, for example, to the experience at the Coromandel dairy farm in Mpumalanga where in addition to its main dairy activities, supplementary enterprises have been established such as a bed and breakfast facility, walking trails, fishing and game watching.³ The media may be enticed to report on successes if it can be demonstrated that resettlement 'works' in practice.

Long haul

The challenge of land reform is immense and there is still a long way to go. Only 5% of South Africa's 82

million ha of agricultural land has been distributed to black people and, at least as far as perceptions go, rural landholding remains completely dominated by white farmers. Even if the target of 30% is reached by 2014 (which is highly unlikely), it would still mean that after 24 years of democracy in South Africa, only one-third of the agricultural land is held by blacks. Anything less than realising the 30% target would be seen by many as a failure of land reform and an entrenchment of white property holding.

Political polarisation

Land reform is a polemical issue, with two sides sitting clearly on either side of the political spectrum. On the one hand, opponents of land reform point to the failures and risks posed by it and essentially run a fear campaign. On the other hand, supporters of more drastic land reform point to the slow pace of change, the lack of transformation and the 'unnecessary' legal technicalities such as the willing buyer-willing seller policy that must be complied with. They run the dissatisfaction campaign. Government has so far offered little empirical information to neutralise the campaigns of both sides and has in fact been fuelling expectations by placing most, if not all, of the blame for the slow pace of redistribution on commercial farmers who it claims demand 'too much' for their farms.

The risk to government in pursuing the current strategy is obvious – governments must be solution-rather than problem-oriented. If government does not provide solutions, it may fall prey to its own criticism, with the process developing a momentum of its own.

Post-settlement blues

The realities of effective land management and the challenges faced by new farmers hit hard once a claim has been settled. There is little doubt that many, if not most, of the new landowners are facing a daunting task to make ends meet. Research undertaken by the University of Pretoria in 2005 found that in regard to the re-settlement projects it investigated:

- production declined by 44%;
- 36% could not meet the first interest payments;
- 86% did not perceive themselves as sufficiently trained for the new challenges;

- 79% did not have an effective business plan; and
- 60% lacked operational capital.⁴

These trends are consistent with other media reports and confirm what has been said to me in various interviews.

Farming is never easy and is even more difficult if land has to be managed by a large community of beneficiaries in a deregulated economy with few subsidies, minimal training and new owners who are often hamstrung by internal disputes. Farming has indeed become the 'riskiest of businesses'.⁵

Unrealistic targets

The targets set by the national government are hard to achieve, which means that whatever progress is made runs the risk of appearing as a failure. Although a target of 30% could have the benefit of motivating people, it could also – if set unrealistically high – achieve the opposite effect. The experience of Zimbabwe in its first 10 years of land reform shows how remarkable progress could come to be perceived as a complete failure due to unrealistic targets set by government and an unwillingness by government to review those targets.

Taken objectively, South Africa can be proud that the government has settled 94% of claims in 10 years and that close to 5 million ha have been transferred over this period. But the target for 2014 is 24 million ha, and that seems very far off. To reach the target, approximately 2 million ha a year would have to be acquired – this is the equivalent of an area the size of the Kruger National Park every year for the next seven years. It is highly unlikely that such an optimistic target is feasible, practical or financially viable. It is therefore understandable that negative perceptions of failure outstrip the positive realities of progress.

Enthusiasm wanes

It takes very long to settle a claim or to finalise the acquisition of land. Many communities are highly motivated when the process starts, but after three or four years of waiting, many meetings, delays and legal technicalities, they lose their enthusiasm, the leadership moves on and the perceived benefits of owning land start to dissipate. That is not to say the delays are entirely unnecessary. Many obstacles must

be overcome before an acquisition is finalised. However, for new owners who have never experienced the technicalities of land acquisition, the process often seems unbearably drawn out.

Degraded infrastructure

Land and infrastructure often become degraded during the period between identifying the land for acquisition and the actual resettlement of the community on the land. There are many instances where it has taken up to four or more years for a deal to be finalised. The existing farmers often scale down their operations or stop farming altogether during this period since they know their days on the farm are numbered. As a result, the normal maintenance of the land is often suspended: infrastructure is not repaired, fertilizer and chemicals are not administered, crops are not sprayed, trees are not pruned and the soil is not treated after or in preparation for harvest. Consequently, new farmers often inherit land that is below its potential. One such example is the restitution projects of the banana and orange farms of Giba and Zebediela respectively, where land became degraded over a period of years. The communities now face the challenge of having to deliver the required output without the necessary operational equipment or funds.⁶

Acquiring land without stock or equipment

Government generally buys only the land and fixed improvements and not the farming stock or equipment. Although this policy is explained to new landowners, when they move onto the land they are often surprised to find only old and dilapidated equipment and no stock. Instead of commencing farming activities right away, they must first acquire equipment and stock, in the process often using up the little operational capital they have on unbudgeted items. A Namibian farmer recently expressed this concern: 'We have no money, no fuel to get the water pump running and no farming implements, let alone a vehicle – some of us now work on neighbouring farms to earn some cash.'⁷

I recently had dealings with a group that successfully claimed a game ranch. The previous owner had spent more than R500,000 since 1999 on restocking the ranch with a wide range of game species. Although government compensated him for all the fixed improvements (fences, lapas, bomas and chalets) it did not buy the game. The owner made several attempts to convince the government to buy the ranch with the

game, but was instead given four months to get rid of the game. He did so by selling as much game as he could and hunting the remainder to make up for his losses. As a result, the new owners – who were under the impression that they were moving onto a game ranch – found they had land without stock. It is unlikely that they would be able to secure funds to re-stock the ranch, which means it may end up being used for cattle or goat grazing.

Community property associations

Holding land in a community property association is complex and challenging. Experience shows that the larger the community that holds land, the more challenging it is to manage the land effectively. This is not unique to South Africa: other international examples demonstrate that community held land is often subject to internal dispute, conflict and ineffective management practices.

In Australia, for example, there is a movement to replace community-held land with private, family-based ownership of land to create closer accountability between owner and manager. One of the main problems identified by new landowners in a 2006 examination of seven successful land reform case studies in South Africa was the complex inter-relationship that existed among the large body of landowners (beneficiaries), the smaller group of workers and the manager of the land.⁸ The remarkable success of African Flower Trust in the Western Cape can to a large extent be attributed to the intimate family relationship between the beneficiaries of the flower farm.⁹ The single-family scheme is also followed in India where the average landholding group has less than four hectares. Many families can join resources to form a cooperative, but the starting point is family-based distribution of land.

The problem with large groups of beneficiaries is often exacerbated if the new owners are required to accommodate the rights of farm workers who are not part of the new ownership group. The new owners of the Giba banana plantation in Mpumalanga, for example, had to retain all the workers who used to work for the previous management. The same applied at the Stentor sugar cane plantation in Mpumalanga. The fact that workers are also part of the ownership group complicates the decision-making process. In essence, where a white farmer who used to manage the land would be able to make decisions on his own,

black managers often have to go through extensive and convoluted consultation processes with their community for the most basic of decisions.

Many black managers told me that they find the process of consultation and community interaction debilitating and exhausting. Several managers indicated that they have to spend more than 60% of their time dealing with community disputes rather than on managing the land.

More than a legal process

Land reform entails much more than a legal process to acquire the land, and it often only starts after the legal process is completed. Currently, so much effort goes into the legal-structural processes of land ownership that once it is over, communities are generally ill-prepared to actually take possession of and manage the land. The drive of government towards meeting what appears to be unrealistic land reform targets, contributes to the many failures of communities on the ground.

Land reform is about training and assisting people, preparing them for challenges, providing them with strategic partners and enabling them to make a successful living out of their land. Government can throw as much money as it wants at land acquisition, but if new owners do not have the capacity to manage the land and to implement sound farming practices, the money will serve little purpose. A balance must therefore be struck between the *quantity* of land reform (actual hectares handed over) and the *quality* of land reform (the ability to manage the land successfully).

Lack of post-settlement support

The post-settlement support for new landowners remains inadequate. There is a trend in government to 'buy now, train later'. While this approach may have some merit, there is a risk that due to the scale of land acquisitions, many communities may appear to be set up to fail. Where farming has become much more scientific in the past two to three decades, new owners seem to be moving in the opposite direction with their emphasis often on subsistence farming as a result of a lack of training and inadequate infrastructural provisions.

The proactive role fulfilled by the Department of Agriculture in years gone by, whereby farms were visited on a regular basis, advice given and assistance

rendered, has diminished. The day to day assistance given to new land owners at a grassroots level is now very limited, and people often find themselves back on their land but without effective guidance as to what to do and how to do it. In a recent report on the land reform process in Namibia it was found that:

Namibia's land reform programme is flawed because poor and landless people are not being empowered to become successful farmers once they have been resettled ... Most resettled persons had little or no knowledge of rotational grazing, livestock breeding systems, or financial planning and management skills ...¹⁰

As a result, the report found that of the projects researched not a single resettlement project was found to be sustainable after five years.

The absence of practical cooperation between government and commercial farming bodies has the negative effect that new farmers cannot rely on their local farming bodies as they should. It is virtually impossible to manage land without the knowledge and skills of the local farming bodies, and government simply does not have the capacity to fill this gap. Hagedorn observes that even if all other variables were settled '... the overall uncertainties of running a farm would remain extraordinary'.¹¹

Urban bias

The political emphasis is currently on urban areas where economic and population growth are taking place at a rapid pace. Although land reform is an oft used political slogan, it has not yet turned into a major political or socioeconomic issue that causes public mobilisation or dissatisfaction. Whatever challenges are currently experienced in rural areas, the economic growth in urban areas is keeping the national economy going.

The situation may change, however, if economic growth slows, if drought affects rural areas or if demands for more radical land reform increase. The Human Sciences Research Council (HSRC) estimates that up to 14 million people in South Africa are vulnerable to food security because they live at subsistence levels.

The role of land reform in rural areas and its impact on urban areas must not be overlooked because, economically, times are good. When, for example, the

land reform process in Zimbabwe started to falter after the successful first post-independence decade, it quickly spun out of control. The groundwork for sound farming practices must be laid now while the economy is strong and resilient.

Unclear objectives

The objectives of land reform are often blurred by confusing and even competing messages. What is the real purpose of land reform? Is it merely to hand over as much land as possible to black people, to serve as a creator of employment, to encourage subsistence farming, or is it a combination of these objectives? Most importantly, is the money spent on land reform worth it or could it have been spent better in other areas such as education, health, housing and training? If the acquisition of land is going to cost as much as R35 billion and the resettlement of people a further R50 billion, is this money well spent?

These are some of the issues that undermine the good progress being made in land reform. While it is probably too early to celebrate, credit must be given where it is due. The progress has been remarkable given the history of South Africa; however, serious challenges remain ahead.

4. IS LAND REFORM A SUCCESS OR A FAILURE?

When taking all the statistics into account, there is no definitive answer as to whether the land reform process in South Africa is succeeding or failing. In the same way that South Africa is chiselling its way forward in addressing historical inequalities in education, health, housing, employment and economic opportunities, it is working towards a more equitable distribution of land. This cannot happen overnight and expectations must therefore not be inflated. Idealism must be tempered with a healthy dose of realism.

Land reform is, as stated earlier, an intergenerational project and the best one can do is identify trends rather than draw any final conclusions at this early stage.

Problems can arise if the objectives underlying land reform are unclear since critics can then draw any conclusion to suit their own ends and can focus on shortcomings, citing these as examples of failure. The following are examples of objectives on which the land reform process could be assessed:

Objective: To settle claims

If the objective of land reform is to settle as many claims as possible before March 2008, the process has been remarkably successful and in it scores an A+. Although the date for finalising all claims has been pushed out, the fact remains that since the closing date for new claims on 31 December 1998, more than 95% of claims have been settled.

The majority of claims were, however, urban based and were settled by means of cash compensation, which does not translate into effective 'land' reform but nevertheless rectifies historical wrongs through the payment of compensation.

In the case of rural settlements, thousands of beneficiaries have benefited; however, one must acknowledge that it is only in theory that land has been restored to many households. In fact, many of the families who make up the claim groups remain in urban and rural residential areas and have not necessarily relocated onto the land which they claimed or that was acquired for them. The number of people actually resettled is far less than the theoretical size of the claim group or the acquisition community. The example of the Zebediela citrus estate is illustrative of this. Zebediela was acquired by a group of about 1,800 beneficiaries but only 240 actually work on the land full time. The rest live in the area surrounding the farm and in local towns and cities.

The success in settling so many claims in such a short space of time should nevertheless not be underestimated. In a highly developed economy such as Australia, only about 60 out of more than 500 native title claims have been settled after 14 years of litigation and acrimony. And that is regardless of the fact that recognition of native title is not nearly as potentially disruptive as settling a claim on freehold land.¹² South Africa's ability to settle close to 80,000 claims in less than 10 years is nothing but remarkable.

Objective: To redistribute land

The land reform process is not going so well, however, if the objective is to redistribute land and reach the target of 30% of agricultural land distribution by 2014. The score rate is at best a D. Less than 5 million ha have been transferred so far, and if the target of 24 million is to be reached on time, close to 2 million ha would have to be transferred a year for each of the next seven years. Such a target is unlikely seeing that

in 2006/7 only 260,000 ha were acquired. This was not only far below the government's target for 2006/7, it was more than 40,000 ha less than the land acquired in 2002. It is not practical or financially feasible to acquire 2 million ha a year and resettle communities successfully at the same time.

The South African government unfortunately faces a double-edged sword: if it acquires land at too slow a pace it would no doubt be seen as causing the land reform policy to fail; however, if it acquires land too quickly and fails to resettle communities successfully, rural poverty may increase, which would in turn undermine land reform and have far-reaching consequences for both the rural and national economy.

The pace of land distribution in South Africa does not compare well with the early successes seen in Zimbabwe (before things came undone and land reform was replaced with land occupation). In its first 10 years, Zimbabwe redistributed 3 million ha and pushed black landholding up from 29% of agricultural land to 42%. During this period 52,000 families had been resettled (against the target of 162,000). These reforms took place using the willing buyer-willing seller principle.

It is therefore not surprising that the British Overseas Development Agency described the first decade of land reform in Zimbabwe as 'one of the most successful aid schemes in Africa'.¹³ Much of the acquisition during this period was, however, criticised for being 'haphazard', with no clear plans to acquire farms within the same area or within the same industry. Practical measures to support new farmers were also limited, and as a result resettlement often went hand in hand with increases in rural unemployment and lack of basic medical services and educational facilities. Rural dissatisfaction with land reform thus increased regardless of the huge progress made. Bratton therefore cautioned that: 'Land reform policies will always have to be coupled with other policies to create alternative forms of employment ...'.¹⁴

The pressures of alleged broken promises faced by the South African government are not dissimilar to the challenges that Zimbabwe had to address when it optimistically undertook to resettle 62,000 families in two years, but ended up resettling 'only' 15,000 families. The discrepancy between the targets and actual acquisition in Zimbabwe caused Bratton to warn:

The number of beneficiaries must be increased.

The initial target of resettling 162,000 families

has been rendered irrelevant by time, and the current *de facto* target of 15,000 per year will not make a meaningful impact on the problem of landlessness.¹⁵

The South African government is in a no-win situation. It is caught between the very high expectations it created by setting what might prove to be an unrealistically high target for land distribution, the demands from landless people to be given land, the risk of upsetting the delicate economic balance in rural areas, and the reality that it takes time and resources to acquire land and resettle people in an orderly and successful fashion. Tough policy decisions lie ahead.

Objective: To maintain and increase food production

If the objective of land reform is to maintain, and even increase, food production while the process is under way, the score so far is an A. The high score must, however, be qualified.

South Africa has (so far) not experienced a decline in food production attributable to land reform. The reason may be that the amount of agricultural land held by new farmers is so small (less than 5% of the total agricultural stock of South Africa) that any failures by individual farms would not register on total production levels. When (and if) the target of 30% is reached, the impact on food production (be it positive or negative) will be more visible.

There is a risk, however, that the slow pace of land reform undertaken in order to protect South Africa's agricultural output may cause political instability in the long term. In the case of Zimbabwe, Riddell issued an ominous warning already in 1980:

In short, it appears that the proposed Zimbabwean constitution has been designed more to maintain the present structure of commercial agriculture than to address comprehensively the national problem of land.¹⁶

Little credit is given for the success of the Zimbabwean reform process in its first decade, which witnessed not only an increase in the price of land, but also in food production. There was in fact such a leap in performance among small-scale (peasant) farmers that they dominated staple food production. An expert in land reform commented at the time that Zimbabwe

'stands out as an agricultural success story among African countries because of the productivity of its small farmers and a regular ability to feed itself'.¹⁷

In India, where 56% of the workforce is employed in the agricultural sector and 18% of the gross domestic product (GDP) is attributable to agriculture, the average landholding per family is two hectares. In most Indian states there is, due to historical reasons, a statutory prohibition against landholding of more than five hectares per family. The small landholders in India have, however, been able to feed themselves and to supply sufficient food for the cities as well.¹⁸

Little empirical data or research is available in South Africa on the progress made by new farm owners in food production – be it at a commercial or a subsistence level. In research conducted by the University of Pretoria on a large number of resettlement projects, it was found that 44% of the case studies reported a reduction in agricultural output. While this decline may be due to teething problems, it may also be indicative of a systemic failure.

There is no reason why objectives for agricultural output during the land reform process cannot be set or measured. If the University of Pretoria's research is correct, the implications of the potential reduction in output if 30% of agricultural land is redistributed could have significant consequences. For the 30% target to be reached, much larger tracts of land than have been distributed thus far would have to be acquired. It is therefore essential to monitor the output of the farms closely and to identify any shortfalls and the reasons for these rather than to be confronted with a more drastic downturn in production at a later stage.

Thus, in addition to keeping records on the number of hectares of land being acquired, account should also be taken of the new farmers' production output. Such statistics would have the following potential benefits:

- There would be an additional benchmark against which to measure the progress of land reform. An increase in food production or employment may, for example, off-set the slower than expected acquisition of land. If, however, an increase in acquisition also leads to a decrease in agricultural production, remedial action can be taken before slower production turns into a wider crisis.
- Commercial farmers would be better able to identify

areas where strategic partnership and support programmes could be launched. Black-owned farms are currently scattered over large areas, which makes stable partnership and training programmes with white commercial farmers less likely. Many black farmers are isolated and have little support from the commercial farming fraternity.

- Government, non-governmental organisations (NGOs) and other donors would be assisted in directing resources and training to the most needy. In the absence of accurate information, it is impossible to develop programmes that assist the shortcomings experienced by new landowners.
- A collation of successful case studies could be used as training material by people involved in other land reform initiatives. Farmers need encouragement and proof that projects are working – success inevitably breeds success. The Makuleke community in the Kruger National Park report that over the past eight years many people have come to learn from their positive experiences, while the African Flower Trust's Surya Cassiem recently received a standing ovation when she told delegates at a conference in Umtata how her family had overcome challenges to establish their successful flower exporting business. New landowners are keen to learn from successes.
- Any negative impact that land reform could be having on food production could be identified early on. South Africa cannot afford to lose production capacity since the consequences would undermine the benefits of land reform.

Objective: To create employment

If the objective of land reform is to create as much employment as possible, South Africa is scoring no more than a D. Most, if not all, of the resettlement projects have an ownership and beneficiary group that is larger than the actual number of people working on the land. Care should therefore be taken that 'beneficiaries' are not equated with 'employees'.

As mentioned, with regard to the Zebediela citrus estate, the claim group to whom land was restored numbers about 420 families and 1,800 beneficiaries, but there are only some 240 permanent workers on the land.¹⁹ The other members of the community rely on indirect benefits other than employment. Similarly, at the Giba banana plantation near Hazyview, the claim group

comprises about 500 families and 2,500 beneficiaries, but only 230 or so people work on the land, and of those less than half belong to the claim group.²⁰ There are very few examples where, as is the case with African Flower Trust in the Western Cape, the number of workers exceeds the size of the beneficiary group.²¹

The criteria that aspirant owners must comply with for land acquisition grants encourage the formation of large, artificial groups with little internal social cohesion. In many instances groups seeking land are encouraged to inflate their numbers in order to qualify for larger grants and may, as in the case of Coromandel and Stentor, include existing workers, previous workers and their families.²² The landholding trust of Coromandel, for example, comprises 248 beneficiaries but only a small number of them are actually employed on the land. Many of the beneficiaries do not even live on or close to the land and they therefore have little understanding of the challenges facing management.

There are no reliable statistics available as to the number of people actually employed (as opposed to the number of beneficiaries) on the resettlement projects. It is probably fair to contend, however, that this number is far less than those who are recorded as 'owners' or 'beneficiaries'. The suggestion that 250,000 families have actually been 'resettled' is questionable: they may have been given a legal entitlement to a landholding trust, but they cannot in practice be regarded as effective owners or beneficiaries of the land.

To add to the complexity, although the government reports that in 2006/7 9,405 beneficiaries benefited from land reform, it must also be taken into account that it is estimated that during the same period more than that number of farm workers had been evicted from farms. The result is therefore a net loss of black employment on farms in the year. In fact, the employment of blacks within the farming sector may be lower than is generally acknowledged.

The HSRC has warned that as many as 300,000 jobs from the agricultural sector may be lost over the next 15 years due to, among others, land and tenure issues. If the estimated loss of 400,000 jobs since 1985 is added, the enormity of the challenge becomes clear.²³

It is imperative that the actual number of workers employed by the new farmers is recorded. Such a statistic would have the following benefits:

- It could provide a basis to demonstrate that even if the targets regarding the acquisition of hectares are not met, the number of people employed within the reform projects is on the increase. If the reverse happens (that is, employment decreases due to land reform) remedial action can be taken.
- Government would be in a better position to plan and direct essential services to pockets of resettled land. The needs of new farmers for education, health, transport and training are quite different from those of the previous small family, white owners. Many new landowners have reportedly complained about the inadequate social services available to them. If the lack of services is not addressed, people will be forced to move to urban areas. It is therefore essential that proper needs identification takes place, and this can only be done if government knows how many people are actually living on the land.
- If economic hardship or drought is experienced in future, accurate statistics would be essential to enable government to direct assistance programmes to new landowners. South Africa is currently in a cycle of high economic growth but some degree of economic contraction in the future is inevitable. By keeping accurate statistics now, government would in future be better placed to identify potential problems and to direct resources towards them.

One objective or many?

As has been argued above, the 'success' or 'failure' of land reform depends on the objectives being pursued. If only one objective is identified (for example, the number of claims settled or the amount of hectares acquired) the analysis would inevitably be limited. Land reform may therefore appear to fail or succeed merely because it is based on a limited objective.

South Africa is highly successful in settling land claims but is less successful in acquiring land and resettling communities. That in itself is not enough to conclude whether the reform process is successful or not. It appears, however, as if government, being locked into a single objective for land reform, is beginning to panic. Department of Land Affairs chief director of communication Eddie Mahoebi recently remarked:

It is clear that, short of nationalisation of land, there is a need for drastic measures to be

implemented to intervene in the land market to accelerate redistribution.²⁴

The narrow approach of focusing only on the hectares acquired is thus leading to a simplistic conclusion that is calling for a 'drastic' and superficial remedy. By over-emphasising the amount of hectares acquired, government is setting itself up to be criticised since the process could be considered a failure should it fail to reach the target. Had the government adopted broader objectives, a more balanced analysis would have been possible.

In order to defend itself against what appears to be a very slow acquisition programme, government increasingly falls back on what it calls the 'intransigence' of farmers or unrealistic land prices. Government fails, however, to explain the complexity of land reform, the high cost of settling people and the time it takes to train new owners effectively. By ignoring these realities, government runs the risk not only of fuelling the fire of criticism which is seeking more 'drastic' action, but also of worsening the poverty and unemployment situation among the beneficiary communities.

If land reform were approached in a multidimensional way by referring also to such factors as production output, the number of people employed and the prevalence of subsistence farming, progress in one area may off-set delays or failures in another.

Major social reforms such as land reform are rarely an absolute success or an absolute failure: the outcome is usually more nuanced. Government unfortunately fails to explain that the legal process leading to land acquisition is relatively simple compared to the myriad issues involved in resettlement. Buying a farm is essentially a matter of offer and acceptance; managing a farm is a lifelong challenge.

In the same way that the historical imbalances in other sectors are taking time to rectify, land reform should be approached with patience. Government frequently explains why progress in these other fields is not quicker, the progress made and the challenges faced. However, when it comes to land reform government inexplicably falls back on a target that offers little more than a slogan to some, is seen as a threat by others, and as a failure by others.

In conclusion, if land reform is measured by the settlement of claims only, it is generally successful. If,

however, land reform is measured in a wider sense to include, for example, the expansion of land holding, securing of tenure, successful settlement programmes, the process is not going well.

5. HOW CAN THE PROCESS BE IMPROVED AT A POLICY LEVEL?

It is easy to observe the risks involved in the land reform process but hard to make suggestions on how to improve it. Land reform is arguably the most complex policy area in which government has to perform. International experiences do not offer much hope of an easy, speedy or simple process. To the contrary, there are many examples which show just how treacherous the waters of land reform can be. At its recent conference in December 2007, the ANC resolved to 'discard' the principle of willing buyer-willing seller and to 'review the adequacy' of post-settlement support, but no other practical proposals were made on how to improve the process.

The following are a few suggestions for improving the land reform process at the national policy level:

Recognise complexity

The government must publicly recognise the complexity of land reform and take steps to downscale expectations. There are few dangers as prominent for young democracies as what is known as 'relative deprivation', whereby expectations continually outstrip actual progress. The first decade of land reform in Zimbabwe shows how success can turn overnight into perceived failure due to unbridled expectations fuelled by the government; and perceived failure can in turn quickly develop a momentum of its own and become actual failure.

The current government is electorally in a very strong position and has room to scale down expectations. A future government may not be in the same position where it has room to manoeuvre and to admit to the challenges of land reform.

Adopt more objectives

Develop different yardsticks by which to measure success in land reform. The overemphasis of the 30% target is feeding the perception that the only objective of land reform that matters is statistical land

'ownership', when in fact the real challenges start after the transfer of land to its new owners. Other criteria such as employment creation, subsistence farming, secondary enterprises and production output must be referenced to measure the real progress, if any, of the land reform process. In essence, the focus must be expanded to include the quality and not merely the quantity of land reform.

Buy closer to markets

Revisit the current model of acquisition to determine if the method in which farms are acquired are the most appropriate. Although many rural properties are acquired, these are usually far from markets, support networks, urban centres, schools and clinics. In many instances the cost of transport is prohibitive. All this has serious resettlement implications for new owners. One interviewee in the Kruger National Park explained to me how new farmers were battling to bring their produce to the market. Although the new owners produced the goods that the client (South Africa National Parks – SANParks) wanted, delivery was long and unreliable, which resulted in lost opportunities.

The rural infrastructure for new farmers to bring their products to the markets is often not available and consideration must therefore be given to acquire land that is closer to the markets, cities and distribution points. Although the cost of land would be higher, the cost of post-settlement support would be lower. Land that is closer to the markets could also comprise smaller lots and be more family-based than the large tracts of land handed to big communities that are less likely to succeed in managing them.

Family acquisitions

Place greater emphasis on smaller, family-based acquisitions. Some proponents argue that the larger the land, the more competitive advantages. This means, however, large communities and experience shows that large groups of people have difficulty maintaining cohesion and keeping up the momentum needed to manage the land. Large groups with divergent interests often require much time to settle internal disputes and to resolve faction fighting, which they are often prone to. Larger groups also tend to have a culture of waiting for others to do the work, have high expectations of the perceived benefits, and different agendas on whether the land should be sold or developed. A manager at Zebediela told me 'only

God can help us' when he explained the challenges that large community ownership bring.

The Zimbabwean experience in the first 10 years of its independence, recent Australian experiences in land acquisition and distribution and the Indian experience seem to support the greater involvement of small, family groupings in land management. Small family groups are usually more cohesive and patient, and as a result decisions are easier to make, roles are better clarified, resources are better pooled, people are willing to work harder since it is for their own benefit, everyone has a clear role to play and the maximum number of people can be employed without overextending resources.

Improve intergovernmental relations

Improve intergovernmental cooperation among the national, provincial and local spheres of government and between departments within the same sphere. Huge gaps remain in the planning of land reform, the execution of policies, the implementation of business plans and the day to day support given to black farmers who are essentially being denied ongoing and effective support. The notion of 'buy now, train later' spells disaster.

There are many examples where government departments function in isolation and are oblivious of the work and functions of other departments. This lack of coordination and synergy often leaves the new landowners feeling abandoned soon after they have been resettled. One example of such lack of coordination is the return of ownership of the conservation estate in national parks such as Ithala, St Lucia and Hluhluwe-Umfolozi to communities without the detailed arrangements of post-settlement responsibilities and community rights having been agreed to. This contrasts sharply with the Makuleke model where the post-handover details were set out in the agreement, enabling both the community and SANParks to make well considered and informed decisions.²⁵

The political pressure on the Department of Land Affairs to speed up the settlement of claims and the land acquisition process is causing a rift with other line function departments and local governments who must deal with the fallout if reform projects fail or when new owners are disgruntled by the lack of government support.

Integrate policy

Policy need to be integrated to ensure that all government departments work cohesively and according to clearly stated objectives. The haphazard nature of land reform is patently clear to anyone involved in the process. Land is often acquired without proper or realistic business plans or training being put in place. Conservation land is, for example, being restored without post-settlement management issues being finalised. Lodges may be constructed, such as the San/Mier lodge in the Kgalagadi Transfrontier Park, without proper market analysis having been conducted regarding the suitability of the location.

Other examples of a lack of integrated planning include instances where new farmers are resettled on land without being provided with sufficient operating capital, land is returned to communities without equipment or stock, and game ranches are handed back without game. This is reminiscent of a concern expressed in 1988 that Zimbabwe's land reform process was taking place with 'minimal planning'.²⁶

The high turnover of staff and the lack of adequate skills within government departments do not make the process any easier. It is of major concern how few people within the respective departments, especially the national and provincial departments of agriculture, have practical farming experience. As a result, land reform is often conducted enthusiastically at an ideological level but is not practically viable; hence the valid complaints from many new farmers who are being left to their own devices.

Farm bank

Care should be taken that the proposed 'farm bank', where farms are acquired and held intestate before being handed over to beneficiaries, does not exacerbate the neglect of equipment, stock or land. While there may be some merit in acquiring land when it becomes available, experience in other countries demonstrates that such land can easily be the topic of new community competition and conflict, that it is prone to remain in the hands of the state longer than originally planned for, and that it may be exposed to severe soil, equipment and stock degradation.

Government does not have the resources, expertise or skills needed, nor is it a core function of government to buy and retain large tracts of land and to farm and manage the land.

The farm bank idea seems attractive but it could give rise to more bureaucracy and greater inefficiency, which could cause further delays.

Leading from the centre

The Office of the President and the offices of the premiers must become the control points for the coordination of land reform. The reason is that land reform has the ability to unleash negative forces that could have wide social and economic implications for the regional and national economies since any instability in the agricultural sector inevitably impacts on food production and employment levels. In addition, a large-scale failure in land reform would negatively affect the entire rural economy and the tourism industry and would lead to increased rural poverty and urbanisation. Land reform must therefore be treated as a national priority and requires government's total commitment.

The next decade will be crucial to the land reform process and it is essential that the highest level of government takes responsibility for guiding the process. Using the example of Zimbabwe, some observers remarked after the first decade of independence that 'there is really no land question' in Zimbabwe;²⁷ however, the second decade witnessed the implosion of the entire process. South Africa's first 10 years of land reform were quiet: the next 10 years will be the real test.

Make peace and form partnerships

Government and organised commercial farmers must bury the hatchet, so to speak, and form an effective partnership. The current zero sum relationship is dysfunctional and is detrimental to the entire nation: it must be acknowledged that neither party can survive without the other. On the one hand, commercial farming cannot thrive in an atmosphere of hostile government interaction, and on the other hand, government does not have the capacity or skills to train new farmers. The absence of farming experience within the Department of Agriculture means that government must increasingly 'privatise' support by involving organised agriculture.

Although agriculture may contribute a relatively small percentage to South Africa's GDP, if production output objectives are not met the consequences would be far reaching. Anyone who has had the least exposure to

farming would know that farmers work together and share tips, skills, expertise, equipment and so on. For the sake of new farmers, the government must therefore facilitate a working partnership and network with the organised farming community.

Pilot projects

Build on good news and success. Government must identify pilot projects in partnership with commercial farmers and new landowners and put resources into them to make them work. It is impossible to make an immediate success of all land reform projects, but if case studies in various provinces and within various sectors of agriculture are identified (for example in dairy farming, conservation, grazing, horticulture), they could serve as a place of learning for new farmers.

Sadly, some of the few successful land reform projects I have visited recently are on the brink of failure unless assistance is provided soon by the government. If they do fail, the media will be quick to report on it. It is in the interests of government and organised agriculture to show that land reform can work.

Rule of law

Though it may seem obvious, it is important to maintain the rule of law. It is essential that the culture of rural violence and lawlessness is brought under control and not be allowed to escalate. This culture is reflected in, for example, the rate of rural stock theft, unauthorised land occupation, equipment theft, murder, rape, burglaries and assaults on farmers which read like a war diary. For example, it is estimated that in 2006/7 more than 62,000 head of cattle and 60,000 sheep were stolen. In some instance the entire kraals of new owners have been wiped out.²⁸ In KwaZulu-Natal where many of the thefts occurred, the recovery rate of livestock was a meagre 4%.

It is difficult to reverse a culture of lawlessness once it has taken hold. This lawlessness is not targeted at one racial group of farmers; it will undermine every farmer and the entire industry.

6. HOW CAN THE PROCESS BE IMPROVED AT A PRACTICAL LEVEL?

During the past six years I have conducted interviews with many people who are involved at all levels in the land reform process and across the spectrum, including

officials in government departments, new land owners, strategic partners assisting new owners, NGOs and academics. The following recommendations on ways in which to improve the land reform process at a practical level are based on their experiences, frustrations and advice.

Reduce time lag

The time lag between the identification of land for acquisition and the final settlement must be as short as possible and disruption to normal farming operations must be minimal. The department should ideally adopt a performance target of finalising roughly 80% of acquisitions within 12–18 months.

Continue existing operations

The existing landowners should be encouraged, and even financially assisted, to continue normal farming operations for as long as possible in order to prevent the land and equipment from falling into a state of neglect and disrepair. If possible, arrangements must be made with the existing landowner to undertake the training of staff for the eventual takeover. In this way the transition from one owner to the other would be much smoother.

The Winola Park Vinery in the Western Cape owes its success in large measure to the smooth transition and the ongoing involvement of the previous owner.²⁹ In contrast, the Giba banana estate was so degraded at take over that it will take years to bring it back to full production.³⁰ In another case, although the owner of a game farm close to Groblersdal had expressed a willingness to train the new owners in game farming and tourism, he was given a short time to vacate the land. As a result there was no time to train the new owners who now occupy the land without any knowledge or background of the operations and without any stock to cash in on the lucrative game industry.

Practical business plan

The business plan adopted for the land must be realistic regarding what can be achieved, the timeframe in which it can be achieved and the resources required to achieve it. Drafters of the business plan must be cautious not to inflate expectations or to set goals unrealistically high merely to impress funding bodies. The business plan must ideally set out a low road and a high road to enable beneficiaries and other involved

parties to obtain a realistic perspective of the opportunities and constraints facing the project.

In many of the case studies I investigated, the business plan ended up in the bottom drawer since it reflected mainly the views of the consultant or funding body and not of the owners. In some instances the consultant was so involved in the business plan that the community never took ownership of it. In other instances the manager could not even show me the business plan or remarked that it was so out of date that it had no practical value.

The business plan must be a practical blueprint to guide the owners in their endeavours.³¹ The high expectations of the San/Mier lodge in the Kgalagadi Transfrontier Park is a typical example of how ideology³² and romanticism may have dictated the location of a project, rather than financial and practical considerations,³³ since the lodge was built without taking into consideration the commercial implications and logistics of its remote location.

Reality testing

Emphasise to new landowners that it may take some time before a project makes a profit. The main direct benefits of land reform projects may for many years be limited to employment and training rather than to paying a dividend. This has been shown in cases such as Zebediela, Coromandel, Stentor and Giba. The University of Pretoria's research indicates that in some instances employment may in fact decline after the transfer of land.

It is therefore important that as many beneficiaries as possible are employed on the land or are involved in secondary businesses and services associated with the land. If beneficiaries see themselves only as 'shareholders' in the land, they will be disappointed at the rate of return; however, if they approach the land as 'owners' they may be heartened by benefits such as employment, residency rights and secondary businesses that provide services to the main operations. The Makuleke have shown how they used the benefits of their projects to improve community facilities rather than to pay individuals an annual dividend.³⁴

Small is sometimes best

It is ideal for a small community bound by family ties, shared history or shared values to acquire land. As

mentioned earlier, the experiences of the African Flower Trust and Winola Park Vinery are typical in this regard: both projects have been sustained in tough times through no more than the total dedication of the family members to stick together and make it work. India's small landholding model referred to above has also proved to be remarkably successful.

Larger communities are often more difficult to manage and their interests may be diverse. If large communities receive land it is advisable that they assist smaller family groups within the community to pursue business activities that provide services to the main farming activities. It is generally easier for smaller family units to take ownership of a project and to retain focus than it is for larger groups. This is what Coromandel has done with its secondary enterprises.

Organised commercial agriculture may argue that economies of scale demand larger farms rather than smaller units, and that may be the case from a purely commercial perspective. But if community dynamics and the objectives of land reform are taken into account, small may in many instances be best.

A balance must therefore be struck between the impact that internal disputes have on achieving optimal farming output within large communities on large tracts of land versus the potentially more productive output capabilities possible among smaller, more cohesive and singularly focused groups. A combination of large commercial operations and small subsistence projects must be pursued.

Land as a generator of economic activity

Coromandel is a typical example of land reform being used to generate diverse economic activity. In addition to the main dairy farm, a bed and breakfast, walking trail and fishing activities have been established at Coromandel.³⁵ The African Flower Trust started off growing proteas and is now expanding to other types of flower growing and business activities.

Land reform should therefore not be viewed in a narrow way: where possible, other businesses should be established to provide products, goods and services relevant to the land and the main activities practised thereon. The outsourcing of work must be delegated to smaller businesses so that more people have a stake in the operation. If outsourcing is handed to non-community businesses (for example, to run a bed and

breakfast), arrangements must be made to ensure that these businesses employ land claim beneficiaries.

Distribution policy

The principles of distributing benefits and employment to beneficiaries must be settled as soon as possible before or after transfer to prevent conflict from arising at a later point in time. The larger the group of beneficiaries the less likely it is that substantial cash payments will be made to each beneficiary. Reinvestment and the creation of supportive business and enterprises may be more sustainable to the community in the long term.

While the Makuleke have shown how a community trust can be used to improve the standard of living of the beneficiaries, other groups have had to use operational funds to pay Christmas 'dividends' to beneficiaries in order to keep them happy. This is similar to selling the family silver to buy groceries, and is indicative of the pressure under which the managers of new land reform projects have to work to deliver some practical benefits, albeit not sustainable.

The worker-owner-manager quagmire

It is necessary to prepare new owners for the time it takes and the difficulty involved in adjusting from being a 'worker' to becoming the 'owner' and 'manager' of land. The complex relationships that exist between the worker, owner, trustee, manager and strategic partner require ongoing monitoring and management. All the managers I interviewed in this regard said that the transition had been far more demanding than anticipated. Many of the ex-workers who had moved into management positions indicated that they were not prepared for the challenges that confronted them.

Managers in particular may be overwhelmed by the task of keeping everybody satisfied and may often feel like the meat in the sandwich. This is best illustrated at Zebediela where the complexity is experienced at different levels:

- The manager must manage workers on a day to day basis, but he is also accountable to the same workers who are the 'owners' of the land.
- The power of the manager to make commercial and human resources decisions (for example, to hire, retrench or promote workers) is therefore severely

curtailed by the fact that he is dealing with the owners who in the first instance have appointed him to the position of manager.

- The workers are responsible for protecting the crops from theft by their fellow beneficiaries, who at the same time want to reap the benefits of the harvest as much as any farmer is entitled and wants to do. Consequently, there is a perception that different 'classes' of beneficiaries exist: those who are employed and thus receive benefits and those who remain unemployed and live in poverty.
- Beneficiaries who are not employed on the land find it difficult to understand what benefits they receive from the land and therefore exert much pressure on management to make unsustainable cash payments to them or even to sell the land.

Inflated numbers

It is unwise to inflate the numbers of a beneficiary group for the sake of qualifying for a bigger grant. This is a common trap that communities have fallen into and it has been their undoing in many instances. When a community acquires land through the Land Redistribution for Agricultural Development (LRAD) programme and the Land Bank, they must be cautious that the number of beneficiaries is not artificially inflated for the sole purpose of qualifying for more funds. Beneficiaries who are not employed in the project and who do not live on or close to the land often become a destabilising factor.

Funding bodies have been guilty of encouraging communities to form unsustainable alliances for the mere sake of receiving a larger grant. Projects such as Coromandel and Stentor are examples of this and they even went as far as inflating the ownership group with ex-workers and their families – a risky endeavour.

Strategic partners

If possible, a mentor or strategic partner should be appointed on a short- or long-term basis to assist with and guide the management of the land. The Makuleke have had assistance from several experts over the years and a prestigious law firm continues to assist them with commercial matters when necessary. African Flowers has also had ample assistance in financial and other matters. The owners of Zebediela, Stentor, Giba and Winola Park Vinery have entered into longer-term

arrangements with professional managers to assist them.

A strategic partner must be available on hand – on a daily basis if possible – to assist in training, guiding, supervising and general management issues. A strategic partner should ideally be a person with experience in agriculture and with a background in empowering disadvantaged communities. A 'clinical', profit-orientated manager may not be able to adjust to the demands of community-owned land management.

The potential role of a supportive network of neighbouring farmers and organised commercial farming bodies is indispensable in the transition phase. It should ideally be government's responsibility to facilitate a support network between existing and new farmers. In this way assistance and training could be effectively outsourced and local ties between established and emerging farmers could be formed.

Training, training, training

Ensure that the manager(s) of the operation receive community and professional support to do their jobs as it is very challenging to manage land that is held by a community. The feedback I received is that managers often feel isolated and under pressure to maximise profits while at the same time they feel hamstrung to make commercial decisions.

Several interviewees expressed concern that even the most basic of decisions become entangled in community politics and that in order to reach agreement, standards are often comprised with severe consequences for the profitability and sustainability of the venture. Managers must be trained to deal with the interactions between commercial and community challenges.

Regular and honest updates

Give regular and detailed updates to beneficiaries of the progress made with the operation, any problems experienced and the challenges ahead. Beneficiaries must realise from the outset that landownership is risky, that it brings with it a lot of responsibility and that profit margins may not always be impressive. Many farmers are in fact selling their land because of declining profitability, so the odds of a large group being able to turn things around are not good to start with. Managers are often pressured not to play open cards for fear of their own position.

Discussion and study groups

Emerging farmers must create discussion and assistance forums with established farmers in the area and should become involved in farmers' cooperatives to exchange ideas and learn from other farmers. The new owners of Winola Park Vinery were adamant that they would not have survived the first few years after settlement had it not been for the assistance they received from their strategic partner and from other neighbours.

Many commercial farmers have formal and informal study groups and forums where they meet to exchange information and tips. Inter-farmer partnerships and assistance are essential for new landowners to find their feet and achieve success. Government has to play a leading role to set the scene whereby farming bodies and individual farmers are encouraged to help emerging farmers. Government could in this regard even award tax or other benefits and incentives to existing farmers who assist new landowners to settle. If government does not succeed in changing the unproductive relationship that currently exists between itself and organised farming bodies, emerging farmers run the risk of slipping back into subsistence farming practices.

Expert advice

Make expert advice available on matters such as: drafting business plans; making adjustments to them; developing an operational plan; setting objectives and benchmarks; financial planning; and opportunities for expansion and diversification.

Farming is much more technical and specialised than many emerging farmers are prepared or trained for. The past two years of growth experienced by African Flowers were carefully guided by external experts who visit the farm regularly and who understand the owners and the constraints under which they operate.

In the past the Department of Agriculture played an active role in assisting white farmers with practical advice. Since this service is no longer available due to the loss of expertise, the department must seek assistance externally. Such advice needs to be given free of charge to the new landowners and must be available on a regular basis. If new landowners are required to pay for the assistance, this item would likely be cut once budgetary pressures are encountered.

Funding cycle

Government departments, particularly the national and provincial departments of agriculture, must coordinate their funding cycle with the business cycle of a new venture and allow for flexibility to release funds when the business demands it. There are ample examples where delayed funding has caused land to be unprepared for the planting of crops, crops not being harvested on time or being planted with insufficient preparation of the soil, and orchards not being optimally maintained. Emerging farmers have so many challenges to deal with that if funding arrives late or crops are not planted, the consequences are devastating.

Land Bank: Interest-free period

It is essential that the Land Bank adopts a more flexible approach to the repayment of loans in the first year or two after settlement. Ideally an interest-free period of two to four years should follow each Land Bank-supported acquisition to enable new owners to find their feet, set objectives, gain experience and commence with investments on the land.

Each of the case studies discussed in *Trailblazers* highlights the pressure that was brought to bear by the Land Bank and its perceived lack of empathy towards the challenges new owners faced. One interviewee even remarked that landowners found the commercial banks easier to deal with and more understanding than the Land Bank.

It is proposed that during the interest-free period the amount that would be repayable to the Land Bank should be directed towards new investments, the improvement of infrastructure or the acquisition of equipment. Government and the Land Bank must realise that the financial and psychological cost of a failed land reform project would ultimately be far higher than the cost of keeping operations going during the transitional interest-free phase.

Land use like for like

As far as possible, emerging farmers must be assisted to continue with the main farming practices of the previous owner. New owners are disadvantaged from the outset if they inherit land without the necessary stock or equipment to work the land but with all the obligations to pay back loans, satisfy beneficiaries and prove to the public that they can successfully manage the land. In the case of the game ranch referred to

earlier in this paper, the new owners would have inherited a thriving business had they been able to retain the game stock. In the end they may have to resort to goat and cattle farming to get some cash in order to sustain their basic needs.

7. CONCLUSION

While the thousands of land claims settled by cash payments in the cities of South Africa are welcomed, this does not amount to 'land reform' in the pure sense of the term. Urban land reform, so to speak, is the rectification of an injustice but where landholding remains unchanged.

The true test for land reform is happening on the farms and communal areas and the challenge is how to expand landholding and secure tenure rights in rural areas. The rural areas are where poverty is most extreme, where unemployment is high, where the impact of HIV/Aids is severe, where depopulation is likely to take place and where basic services are most under threat.

The current land reform process in South Africa is not going as well as the government's statistics suggest, and that is the reason why nobody is celebrating. While South Africans have during the past decade made unbelievable compromises, ideology and dogma still dictate what happens in land reform and pragmatism has been unable to enter into the picture.

After all of the analyses, three realities dominate the land reform landscape:

- Government does not have the skills, capacity or

infrastructure to assist emerging farmers; it may have the money to buy land, but that does not make for successful farmers. NGOs fulfil a useful role but this capacity is also limited. Government must establish a partnership with commercial farmers for the training, support, monitoring, etc. of emerging farmers. The knowledge and expertise within government for agricultural concerns is at an all time low and it must therefore source expertise from within the private sector.

- Instead of engaging in a debilitating financial and political stand-off with the government, commercial farmers in South Africa need to be encouraged to be the agents of land reform rather than the opponents of it. Commercial farmers must accept that subsistence farming on some large tracts of land is a reality that may not bring direct profits but keeps people employed and off welfare. Commercial farmers need to identify pilot projects so that they can render assistance and demonstrate that land reform can be viable and that emerging farmers can indeed be successful.
- Emerging farmers must realise that they cannot rely on government to carry them across the line. Many are aware that they are basically on their own once they return to the land. If they are unable to establish working relationships with neighbouring farmers they will not survive the difficulties of modern day farming.

While the challenges of land reform in South Africa often appear to be overwhelmingly, the key is not to expect too much, too soon – some miracles happen overnight, but others require time and patience.

ENDNOTES

- 1 Over the past four years I have published two reports on land reform: De Villiers B, *Land Reform: Issues and Challenges*. Johannesburg: KAS, 2003; De Villiers B & Van den Berg M, *Land Reform: Trailblazers – Seven Successful Case Studies*. Johannesburg: KAS, 2006. A third publication is due soon. It deals with cooperation between national and provincial parks and neighbouring communities – De Villiers B, *People and Parks: Sharing the Benefits*. Johannesburg: KAS (forthcoming).
- 2 These were the most updated statistics available from the Department of Land Affairs at the time of finalising the policy paper in December 2007.
- 3 *Land Reform: Trailblazers*, op cit, pp 54-55.
- 4 Nuweling sukkel om te oorleef, *Rapport*, 11 March 2007.
- 5 Hagedorn S, Sowing seeds of uncertainty in the fields of SA's farms, *Business Day*, 30 November 2007.
- 6 Refer to *Land Reform: Trailblazers*, op cit, pp 34-35.
- 7 Namibia: Land reform becomes an urgent policy, <www.irinnews.org/report>, 1 September 2006.
- 8 *Land Reform: Trailblazers*, op cit.
- 9 Ibid, pp 67-75.
- 10 Land reform must include post-settlement supports, says new report, <www.irinnews.org/report>, 23 September 2005.
- 11 Hagedorn, op cit.
- 12 In brief, native title cannot be claimed on freehold land, which means that privately held land in cities and farms cannot be claimed. Even in instances where native title can be claimed on leasehold land, it coexists with the rights of the existing leaseholder. The stakes in native title claims from the perspective of the leaseholder are therefore not nearly as high as in the case of South African land claims.
- 13 *The Economist*, 28 October 1989, p 52.
- 14 Bratton M, Ten years after: Land distribution in Zimbabwe: 1980-1990, in Prosterman RL, Temple MN & Hanstad TM, *Agrarian Reform and Grassroot Development: Ten Case Studies*. Boulder: Lynne Rienner, 1990, p 290.
- 15 Ibid, p 285. Emphasis added.
- 16 Riddell R, Zimbabwe's land problem: The central issue, in Morris-Jones WH, *From Rhodesia to Zimbabwe*. London: Frank Cass, 1980, p 12.
- 17 Bratton, op cit, p 267.
- 18 Farmers look beyond farm for jobs, *The Economic Times*, 7 November 2007.
- 19 *Land Reform: Trailblazers*, op cit, p 5.
- 20 Ibid, p 34.
- 21 Ibid, p 67.
- 22 Ibid, pp 41-58.
- 23 Jordan B, Land reform a mess, *Sunday Times*, 28 October 2007.
- 24 Ibid.
- 25 Regardless of the detailed nature of the Makuleke settlement, it took about three years for the parties to find their feet. It will take much longer and bring more confusion in cases where land is handed back without any post-settlement agreement in place.
- 26 Ashcroft J, *Land Reform in Kenya and Zimbabwe: Some Lessons for South Africa*. Newick Park Initiative, February 1988, p 8.
- 27 Moyo S, The land question, in Mandaza I, *Zimbabwe: The Political Economy of Transition 1980-1986*. Codesria, 1986, p 165.
- 28 <http://www.news24.com/News24/South_Africa/News/0,,2-7-1442_2207012,00.html>, 23 October 2007.
- 29 *Land Reform: Trailblazers*, op cit, p 59.
- 30 Ibid, p 31.
- 31 Refer to the forthcoming publication *People and Parks: Sharing the Benefits*, op cit, to see how Mankwe Safaris in the Pilansberg Game Reserve has used its business plan to grow from strength to strength.
- 32 I refer to the decision to place the lodge in a remote area as an 'ideological' decision since the communities' advisors and SANParks' negotiators were adamant that the lodge must be placed where the two claims abut – irrespective of commercial viability and logistics of the site.
- 33 Refer to *People and Parks: Sharing the Benefits*, op cit, in which aspects of the lodge are discussed.
- 34 *Land Reform: Trailblazers*, op cit, p 15.
- 35 Ibid, p 49.

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