



# Land Access and Participatory Territorial Development

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## Challenges in the transformation of land unequal local economies: from land reform to territorial development?

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## Summary

This paper provides a compilation and discussion of some of the main conceptual and empirical findings of the DFID financed policy research project Land Access and Participatory Territorial Development, drawing on case studies undertaken with research partners in South Africa and Brazil. It discusses the salient features of Brazil's rural territorial development approach, and the implications for land reform. The paper then considers perspectives on land, territory and local economic development from South Africa including theoretical analysis of localism and the impacts of globalisation on the post-apartheid reorganisation of space, and the practical approaches adopted through the Integrated Development Planning (IDP) framework, Local Economic Development methods and the opportunities for territorial, or "area based" approaches to land reform. Much of the paper is devoted to the main findings of the case studies undertaken by the research project, in particular a detailed study of land access and rural territorial development in Medio Sao Francisco, Brazil, and an assessment of the performance and impacts of land distribution in Elliot District, Eastern Cape in its wider economic context. It also draws on the experience of an area based land reform initiative developed by a land NGO, Nkuzi Development Association in Makhado municipality, Limpopo province, the greater part of which is subject to land restitution claims by communities forcibly relocated into the Venda and Gazankulo former "homelands". The paper and sets out overall conclusions and policy implications under three main headings, the construction of territories and territorial identity, the implementation of land reform at a territorial scale, and discusses the challenges of institutional transformation involved in achieving socially inclusive rural territorial development in a context of unequal access to land.

The paper was developed in several stages, gradually incorporating empirical findings as they became available from the case studies. An early draft *Land access and territorial approaches to livelihoods development* was prepared for a conference on *Land, Poverty, Social Justice and Development* at ISS, in the Netherlands in January 2006. This drew on a review of literature and methods on land access and decentralised approaches to rural development now compiled in Papers 1 and 2 of this same series, to focus on potential ways forward in overcoming the contemporary impasse in redistributive land reform. A later version was submitted for a conference *At the frontier of land issues: social embeddedness of rights and public policy* to be held on 17 – 19 May 2006, in Montpellier, France, following which a further set of revisions was undertaken.

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## **ABSTRACT**

The paper draws on evidence from Brazil and South Africa to examine the potential of territorial and area-based development approaches to enhance the delivery and impact of redistributive land reform and restitution in favour of the poor, and in stimulating more inclusive local economic development in countries characterised by and by high degrees of social and land inequality. It describes Brazil's territorial approach to rural development and agrarian reform, and South Africa's decentralised Integrated Development Planning (IDP) process, and assesses them against emerging evidence from recent assessments of land occupation and land reform in specific areas of each country. The paper summarises the key features of contrasting initiatives to address problems of land access and promote more inclusive rural economic development in the two countries. It then concludes by discussing the potential benefits of emerging territorial and area-based approaches in terms of strategic understanding of development processes and the implementation of redistributive land reforms at scale, and the institutional challenges.

The findings point to the need to re-problematise issue of land access and inequality in the context of growing rural diversification, and efforts to decentralise the planning of rural development and to achieve more participatory democratic control over local economic development, as proposed by the rural territorial development (RTD) approaches (which are of growing significance throughout Latin America, Europe and North Africa, and are increasingly applied in francophone and lusophone regions of Africa). A principal conclusion is that in order to bring about more inclusive economic development, territorial development approaches cannot ignore structural inequalities in access to land. This requires a genuine mainstreaming of agrarian reform within decentralised approaches, and development of institutional frameworks within which divergent interest between social groups, and different elements of the state itself can be better resolved. Whilst policy has moved in this direction in Brazil, South Africa which has pioneered a participatory and "integrated" municipal planning approach through the IDP system, has so far been unable to overcome the institutional and spatial barriers integration bequeathed from the apartheid era.

## **1. INTRODUCTION: TERRITORIAL DEVELOPMENT AND LAND ACCESS**

### **1.1 The impasse in redistributive land reform**

The origin and starting point for this paper is the contemporary impasse in land reform programmes in laying the groundwork for more equitable patterns of rural economic growth and development in land unequal countries. This has included an ongoing controversy involving development agencies and civil society movements over the choice of traditional state led and more recent World Bank promoted market-assisted approaches to land transfers to the poor. In South Africa and Brazil, the focus countries of research on which this paper is based, both approaches have been found to be poorly integrated with broader development support (Deininger 2003), and land transfer programmes have been pursued through standardised methodologies applied in centralised and de-contextualised ways, with difficulties in gaining collaboration of other sectoral programmes to assist newly created agrarian settlements to survive and thrive. As a result, questions arise of how better to understand the actual and potential economic development impacts which land transfer programmes have in these countries, and how greater contextual understanding and stakeholder participation can contribute to the better choice, design and combination of land access instruments and programmes. In addition, it is necessary to consider

how land reforms can be better integrated with policies and programmes to put implement more socially responsive, decentralised, cross-sectoral and territorial approaches to rural development.

Historically, major redistributive land reforms have proved successful as part of wider processes of political and economic transformation, in which farmers and rural workers social movements have allied to political forces seeking to transform agrarian systems. Assessing cotemporary prospects for agrarian reform, post market-liberalisation, Herring (2000) advocates re-conceptualisation of the traditional agrarian reform project which "...presents an apparent political impossibility. Land confers power in agrarian systems; reform...must then work through a system of power to overthrow its base". Consequently, reform of the state is needed, yet agrarian reform itself is required in order to enable the development of more broadly based rural power. In the past, successful land reforms have generally occurred in contexts of wider political and economic transformations in the direction of greater democracy and more efficient production systems, of which coalitions of interest between reforming or revolutionary states, and social movements in civil society were a significant feature. These conditions are largely absent today, despite continuing inequitable land distribution and landlessness, associated with persistent rural poverty and demands for land reform. As a result, and to return to Herring's argument, to achieve change "...pro poor reform...must recognise the potential of larger coalitions of the poor" including elements of "environmental integrity and regeneration, women's rights, human rights, cultural survival and democratisation."

The political near impossibility of conventional agrarian reform programmes may do much to explain the lack of progress in Brazil and South Africa's current programmes of land reform. The difficulties of achieving horizontal coordination between state programmes, and democratically accountable decision making by local government have attended to marginalise land reform settlements from mainstream economic development, where arguably they should be at its centre, and fully integrated with it. Until recently, little had changed in the conceptualisation and centralised execution of land reforms by the state, but land reform social movements in Brazil and elsewhere have gradually come to embrace broader objectives. The demands emanating from, and the alliances forged by civil society in addressing the needs of the poor in rural development have begun to shift the terrain of strategy and debate. Land reform social movements have found it necessary to network across areas and regions so as to create broader alliances and linkages between land and wider struggles, so as to facilitate meaningful participation and achieve more tangible impacts, suggesting that a territorial arena may provide scope for the rural development concerns and strategies of state and civil society to be combined effectively.

The related problems of poor inter-sectoral coordination and weak responsiveness to grass roots concerns and local priorities have provided a principal impulse behind rural territorial development (RTD) initiatives in Latin America generally and specifically in Brazil's efforts to reconfigure rural state institutions and democratise planning through a territorial development approach, linked explicitly to the renewal of agrarian reform and development programmes. The philosophies espoused in the early stages of development of South Africa's Integrated Development Planning process (IDP) at Municipal level, and a more recent Integrated Sustainable Rural Development Programme (ISRDP), suggest that they are intended to address similar core problems to those in Brazil. In theory, through these programmes government promotes partnerships with organised civil society and the private sector on an area by area basis, (following broadly accepted notions of territory in terms of social, economic and environmental identities, rather than micro – municipal boundaries) to address rural and urban development in more systematic and democratic ways, using different programme and instruments depending on local conditions and opportunities. Managed creatively and with political vision they could also enabling creation of broader alliances to transform rural power relations necessary to the

achievement of land redistribution in significant scale. However these policy initiatives have so far failed to incorporate land issues and address issues of land access and the development of more inclusive rural economies in South Africa.

The next section of this paper introduces the idea of territorial development, and summarises the principal features of territorial and integrated area based approaches in Brazil and South Africa respectively. Further details of these are provided in Annexes 1 and 2. The paper then reviews the findings of case studies in each country in order to assess the effectiveness of territorial and area based programmes and the wider policy implications.

## 1.2 Methodology

For research which produced the findings presented in this paper proceeded in two stages:

Firstly the assessment of key concepts and approaches relating on the one hand to land access and on the other, to innovative “territorial” approaches to rural development, proceeded by way of:

- a) an analysis of academic and policy literature on the subject, drawing together material on land access, agrarian reform, territorial development and other decentralised development approaches, supplemented by
- b) a process of monitoring the changing policy context in each country during the project period through country visits and ongoing dialogue with partners to accessing policy literature and gather information from key informants from government and civil society actors at national and local levels.

Secondly, a set of case studies were undertaken, three of which, one in Brazil and two in South Africa are reported on here. All of the case studies utilised four principle methods:

- Gathering and analysis of secondary data and pre-existing literature on the specific territories and processes studied
- Documenting the progress of local initiatives to link land access programmes with participatory territorial planning processes, as they unfolded
- Key informant interviews, amongst government agencies, civil society actors and stakeholders in rural planning and with community leaders and representatives participating directly in land access and territorial development programmes
- participatory local workshops to debate case study finding sand emerging policy issues organised at the case study sites involving a wide range of local actors. The findings of these workshops were incorporated with alongside those of the case studies and conceptual / literature review by the lead researcher and the key research partners in each country in the preparation of synthesis documents.

However the overall approach taken was required to be innovative in that the research sought to achieve consensus with local research partners in each country and with the local level stakeholders, from both government and civil society regarding the precise objectives and utility of the studies. Moreover each study sought to document, assess, and support distinctive local innovations in the planning and management of land access programmes, in their specific local contexts. As a result, for purposes of empirical data collection four common methods used were supplemented by a variety of specific survey methodologies, according to local partners’

objectives, priorities and capacities, and the specific questions they sought to answer. The case studies reported here and the principle methods they used are explained here<sup>1</sup>:

- A study of one specific former commercial farming district in Eastern Cape Province of South Africa, still widely known as Elliot District, targeted for land redistribution. This used small scale statistical surveys of land reform beneficiaries and commercial farmers using random sampling techniques, supplemented by analysis of land market, land registration and farm employment data.
- A study in Makhado local municipality in Limpopo province, a much larger area comprising both commercial and communal areas. This study relied primarily on participant observation by a local NGO team, backed by researchers, and data which they collected on land restitution claims and claimant communities, in the course of developing the Makhado Area Land Reform Initiative, and trying to move it forward. As in Elliot, this was supplemented by analysis of land market, land registration and farm employment data.
- A study of the Médio São Francisco, an extensive rural territory Bahia comprising 13 municipalities. The team undertook systematic identification and mapping of different types of traditional rural communities and land reform settlements, resulting in a series of thematic maps which capture the diversity of land occupation throughout the territory. This was followed by a series of opportunistic field visits to various locations broadly representative of each of the different types of rural communities encountered, where key informant interviews and focus group discussions were conducted. Empirical and locational data was supplemented by documentary analysis of data on land holdings, land transactions and land transfer or tenure regularisation processes for all the sites for which this was available. Detailed geo-referenced mapping exercises were undertaken using GPS for a number of selected sites and projects. The historical development of administrative and planning units in the region was reconstructed using maps, and a historical analysis of settlement and land use was undertaken. The historical development and contemporary roles of two of the key civil organisations operating in the region was analysed using documentary archive sources and informant interviews.

## **2. DECENTRALISED APPROACHES TO RURAL DEVELOPMENT IN SOUTH AFRICA AND BRAZIL**

### **2.1 Rural Territorial Development**

Rural Territorial Development (RTD) perspectives, pioneered in Latin America and in southern Europe, is an evolving and innovative approach to rural development and poverty reduction, RTD initiatives are based around the existence and encouragement of shared territorial identity amongst different stakeholders and social groupings living within specific but not necessarily precisely bounded geographical areas. They focuses on strengthening local economies through fostering dynamic market development by drawing on the comparative advantages, wider linkages, and distinctive productive, historical, cultural and environmental features of regions, through socially inclusive and participatory planning strategies involving civil society, private

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<sup>1</sup> Full details and findings of the case studies undertaken and the methods used are contained in specific case study reports issued by NRI as part of this same series of papers.

and public stakeholders, stressing the importance of civil society participation in building productive and market opportunities for the poor across urban and rural space, according to the features and opportunities that different territories present (Schejtmann and Berdegue. 2002, Abramovay 2002, Sepulveda 2003, Abramovay and Beduschi Filho 2004, Cleary 2003, Groppo 2004).

In practice, to achieve impacts on poverty and create economic opportunity for the poor across deprived areas beyond the local scale, new institutional arrangements may be needed to overcome the predominantly parochial and sectoral interests which often characterise municipal and national government and focus instead on wider economic dynamics (Schejtmann and Berdegue 2003). Rural Territorial Development seeks to refocus institutional frameworks for rural development by promoting collaboration between different sectors and levels of government across geographic units of local government, together with new participatory territorial fora for development planning and implementation. These may include organisations such as rural unions, social movements, churches, NGOs and indigenous social institutions as well as private sector producers and trade organisations, all of which can potentially play a driving role in strengthening economic development, market integration, cultural identity and social inclusion beyond the micro – local scale.

RTD perspectives have originated in Europe and in Latin America, and have developed in part from more established and more widely practised Local Economic Development (LED) approaches, to provide a broader focus on rural areas, together with urban settlements, markets and industrialised zones (LEADER 2001). RTD focuses on the dynamic nature of urban-rural interactions and requires a holistic, cross sectoral approach to local planning and an understanding of the differential geographical and historical trajectories of specific territories which have shaped their identities and economic characteristics. RTD approaches have assimilated, and implicitly include many of the principles, insights and developments of the Livelihoods Approach, notably the centrality of capital assets – most importantly the mutually reinforcing roles of social capital and productive assets in shaping livelihood and market opportunities – and the fact that rural people’s livelihood strategies are complex, and frequently to a large extent non-agricultural in nature (Sepulveda 2003).

This paper suggests that RTD offers opportunities to concretise, spatially, a livelihoods approach in practice, and, that by applying this approach to land reform, more sustainable impacts in terms of economic opportunity and thereby, poverty reduction might be achieved. By placing localised development in a dynamic wider market and policy / institutional context, RTD is both people-centred and area-focused, offering a means, encapsulated in the notion of territories (considered as geographic or economic regions with a shared cultural identity and therefore some actual or potential collective development subject)<sup>2</sup> to stimulate responsive and participatory planning, and build an enabling institutional environment in which livelihoods can prosper and poverty can be reduced. To do this in unequal societies however, key elements of successful territorial development programmes must be the creation and enhancement of space for dialogue, negotiation, consensus building and conflict reduction amongst stakeholders, including strengthening voice of the poor, and reconfiguring institutional arrangements to link bottom up and top down planning.

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<sup>2</sup> We explore definitions and concepts of territory in detail in Working Paper 2 from the Land Access and Participatory Territorial Development research project conducted by NRI [www.nri.org/projects/reed](http://www.nri.org/projects/reed)



In the context of growing decentralisation and efforts to build the capacity of local government, territorial analysis has found that existing administrative units of local government are frequently too small and localised effectively to support socially inclusive development and thriving market opportunity. In Latin American countries particularly, a plethora of micro-municipalities - often configured around historical patterns of land ownership and political power, has enabled the capture of public development funding by clientelist local political elites, often closely associated with established remnant aristocracies and dominant business figures. Whereas decentralisation in Latin America, where successful, has to a degree enabled municipalities to direct social expenditure based on stronger local information and accountability, the creation of new sustainable economic opportunities requires an approach based on larger territorial units and the inclusion of rural towns and secondary cities in strategic planning (de Janvry 2003). Accordingly, RTD has involved fostering links between established municipal development councils, promoting the role of cross-municipal consortia, civil society and business networks, rural unions and social movements based on wider constituencies.

## **2.2 The territorial approach to rural development and agrarian reform in Brazil**

Recognising the need to integrate continuing efforts for land reform in a sustainable economic, institutional and social context, under the Lula government, Brazil has sought to develop a territorial approach to agrarian development. In 2003, under the newly elected Lula government, the Ministry for Agrarian Development (MDA) created the Secretariat for Territorial Development (SDT) charged with developing and implementing a more integrated and participatory approach to rural development planning. This mission was to focus initially on coordination the Ministry's own programmes, while gradually extending horizontal coordination with other federal and state government programmes. SDT's mission included the reorganisation of existing sustainable rural development councils, at federal, state and municipal level, strengthening their cross sectoral character and deepening participation by strengthening the representation of land reform and other social movements and NGOs. At federal level MDA / SDT work with other key Ministries which share their strategic territorial vision, notably, MDS (Ministry of Social Development, which has now subsumed the *Fome Zero* food security programme) MMA (Ministry for Environment) and MINTEGRA (Ministry of National Integration).

The objective is to link public policies more effectively with social demand. Key elements and methods are set out in strategy documents developed during 2003. NEAD (2003), discusses the difficulties faced by the poorest rural territories, suffering high rates of illiteracy, social exclusion, out-migration, and needs for reconstruction of human capital through investment in education, health and employment, social mobilisation and institutional development to strengthen social capital, political renewal to improve public policies, and technological innovation and diffusion of knowledge to enable economic diversification based on better use of natural resources and protection of the environment. Given the extent of land concentration, and the historical marginalisation of smallholder production which has occurred in the poorest areas of Brazil, land reform is a fundamental strategy for expanding family farming and for poverty reduction. Land reform needs to be adapted to different circumstances, and linked to provision of credit and support services<sup>3</sup> for family farming as a whole. SDT's programme has attempted to bring together land reform and agrarian development programmes, and link them to strategic provision of infrastructure and other services at the territorial level. The aim is that a territorial focus should

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<sup>3</sup> NEAD notes that in 2002 only 15% of land owning families had access to credit

begin to alter an exclusive focus on the economic and social sectors perceived as most likely to generate increases in aggregate economic growth as the sole motors of rural development which historically has resulted in social exclusion.

In practice one of the major issues which MDA and its collaborators in government and civil society seek to address is the party-politicisation of planning at local level, whereby scarce resources in remote and impoverished rural areas have become increasingly controlled by (frequently conservative) municipal prefects who use them paternalistically to generate political support in electoral campaigns.

A more detailed explanation of Brazil's territorial development process and the methodologies used is contained in Annex 1.

Recent research (Leite et al 2004) that shows how land reform in some parts of Brazil has begun to provoke social, economic and political change not only for the direct beneficiaries but also for the regions in which they are located, especially where a high density of land reform projects has enabled economic renovation and diversification in areas where traditional landlord based production systems have suffered decline, for example in the cocoa producing belt of southern Bahia.

Adopting a similar perspective, Brazil's second National Programme for Agrarian Reform (MDA 2004) takes a territorial approach, concentrating on land reform areas, in contrast to the dispersed pattern of expropriation which previously characterised state land reform intervention. The programme emphasises diversity of beneficiaries in ethnic, gender and cultural terms, and seeks to combine different land access programmes, and to integrate them into the dynamic development of rural territories. "...agrarian reform must promote regional development ..... the omission of this dimension from land policies to date, with the predominance of isolated land reform settlements and without creating the right conditions for production and marketing, explains their limited effectiveness" (MDA 2004).

The programme has aimed to combine a variety of land reform instruments, namely land redistribution, land acquisition and tenure regularisation in order to meet the needs of the range of beneficiaries, including the landless, those with insufficient land access, women farmers, youth, indigenous peoples, Afro-descendent communities people displaced by e.g. hydro-power projects and traditional riverine communities, alongside family farmers, according to the characteristics and requirements of any given territorial space. In practice this requires considerable cross-sectoral coordination and integration of public policy at federal, state and municipal levels, supported by processes democratic dialogue and social management of territorial development. While these principles are set out in the strategy documents set out by SDT, a fundamental question is the extent to which the alliance of the Brazilian Federal Government, with rural social movements is capable of facilitating the necessary institutional transformation.

### **2.3 Integrated Development Planning and area based approaches to land reform in South Africa**

South Africa, with similarities to Brazil as a multi racial, middle income yet highly unequal country presents a rather different picture in respect of the recent evolution of approaches to land reform and local economic development.

Gillian Hart in her book “Disabling Globalisation: places of power in post-apartheid South Africa” (2002) develops a spatial analysis of territory, localism and globalisation in post-apartheid South Africa, based on research into power relations amongst different social groups in two former white towns and adjacent black townships in KwaZulu-Natal. Hart sets out a critique of linear, evolutionary theories of development which involves “relational conceptions of space-time and place”, in which space is conceived of as a social product, “a tool of thought and of action.....a means of control and hence of domination, of power” – in effect, a notion of territory. Hart proposes a perspective based on a concept of “multiple trajectories of socio-spatial change” in which different regions, or territories, with specific geographies and histories follow different development paths according to the interplay of both internal and external forces over space and time. This, according to Hart, challenges “dualistic conceptions of the ‘local’ as the passive recipient of inexorable external forces, or romanticised sites of resistance to the ‘global’”, by combining spatial and historical, rather than abstract concepts of determination and change. “...the multiplicity of historical geographies [are]...not simply effects of global flows but...actively constitutive of them”. This, she believes “...opens up the way for more politically enabling understandings”, creating space for social actors to shape the continuing trajectories of specific, (though not precisely bounded) social spaces within the historical and geographical constraints, and for the local state to institute enabling frameworks whereby social movements, civil society and economic agents, can forge specific new – and perhaps in South Africa’s case non-racial territorial identities, and grasp strategic territorial opportunities.

The discussion of the South African case studies reported in the second part of this paper asks how this might be possible in practice for agrarian development in South Africa’s agrarian context, in view of the trajectories followed by the specific rural areas in question, and the lessons offered by Brazil’s territorial approach to agrarian reform, and by South Africa’s own experiments in instituting local economic development (LED) and the Integrated Development Planning (IDP) process.

While racial difference continues to shape and limit the possibilities of transformation in South Africa - pointing away from conventional “land to the tiller” agrarian reforms, and towards the social ownership of commercial farm enterprise, historical and spatial analysis of the trajectories of Brazil’s rural territories similarly offers a way of addressing the opportunities and limits for redistributive change, according to their own social diversities and histories.

Hart argues that a South Africa’s land question needs to become re-connected with struggles in different, urban -industrial, and rural- agrarian arenas – in effect that greater and more secure access to land can support urban and well as rural livelihoods making them more competitive. However she notes that the agrarian question has remained gap in the projects of the liberation movement, and of post-apartheid government, despite the ambitious land distribution targets which followed independence and an official rhetoric of economic transformation. As another writer puts it “there is a profound tension between morally charged narratives of dispossession on the one hand, and the narrowly technocratic and under-funded land reform programme on the other” (Walker 2000).

Government had an opportunity to foster a linkage of dispossession and agrarian questions with reconfigurations of the local state coincides with new municipal demarcations instituted in 2000 which opened rural - urban boundaries, and could have facilitated the emergence of new political alliances linking urban and rural areas. While this may have been one of the political intentions behind the crafting of new local government units, these possibilities have as yet not been exploited within the government’s programme. The South African state has attempted to deal with the contradictions of apartheid geography through the reorganisation of local government

which and a radical decentralisation of government functions to local level, though the Integrated Development Planning (IDP) process, in place since 1996, under which newly created District and Local Municipalities have responsibility for development planning, which was intended to come about in a participatory way. Originally these processes were intended to involve decentralised land use and land development planning but no mechanism was established through which this could take place. Municipalities were also required to promote Local Economic Development (LED) to promote investment and local capital accumulation, which in turn was intended to assist with poverty alleviation. However this process has generally focused on specific projects to attract private investment and stimulate growth in urban areas, without stimulating more inclusive processes of economic development. In 2001 South Africa went on to introduce the Integrated Sustainable Rural Development Programme (ISRDP), conceived as a 10 year Presidential Special Initiative focusing on specific pilot areas in different parts of the country intended to overcome institutional problems in regional and spatial development planning by bringing together all departments and spheres of government, as well as traditional leaders, in an integrated approach. It is not clear however, how the lessons of the ISRDP process will be extended throughout South Africa, and moreover in common with the earlier IDP and LED policies, the initiative is not integrating issues of land access and inequality into the sustainable rural development framework it aims to establish and pilot.

Further details on the reorganisation of local government and the systems of integrated and decentralised planning which have been established in South Africa are contained in Annex 2.

Despite an already quite complex history of institutional change and innovation, including strong measures of decentralisation, land reform remains centrally planned and managed in South Africa posing a significant challenge for the achievement of broader redistributive change, in the form of collective land restitution, moves towards social ownership of successful commercial farming, and the development of new forms of collective territorial identity and political control and the democratisation of spatial development and economic opportunity.

Some writers consider that the local government reorganisation has begun to change the terrain of development planning and political struggles by the poor, opening the way to mobilisation encompassing both urban townships and surrounding rural areas (Hart 2002). The challenge can be interpreted as one of forging social capital at the territorial level through the mobilisation of urban-rural alliances which, if achieved, could impact on the nature of decentralised development through the ISRDP and LED processes by creating spaces for dialogue, alliance and action amongst social agents. While Hart saw the remapping of the local state in South Africa in December 2000 as a crucial turning point, to date the existence of new local government units this has not enabled the formation of alliances for territorial development in civil society, across urban and rural areas, or across former black and former white areas, which still remain largely separate. There have as yet been no systematic efforts to assist the “integrated” development planning processes at municipal and district level to adopt a territorial perspective for instance by linking collective land restitution claims, and new forms of social ownership of land and agriculture, to programmes for local economic development, so as to enable both redistributive justice and continued economic accumulation, investment and employment. At the same time rural poverty remains a major problem, as over 70 per cent of all South Africa’s poor reside in rural areas, over half of them chronically poor (Aliber 2003).

The new local government bodies have had a negligible role in land reform which in practice is making little headway, in context of government’s pursuit of neo-liberal economic policies and negligible allocation of funding to pro-poor agrarian change. In practice land policy became technocratic, focussed on resolution of individual claims for restitution and the processing of

individual land acquisition grants designed to stimulate transfers to small black commercial farmers, to the relative neglect of workers, tenants and farm dwellers with insecure facing eviction and insecurity on commercial farms and white-owned properties. Despite the operation of the ISRDP, at macro (policy) level there are challenges in limited political, admin and fiscal decentralisation and the lack of a viable economic strategy for rural areas and for the informal economy, and as yet the development of implementable IDPs at the district municipality or meso level addressing the needs of both rural and urban areas and to which all stakeholders especially the provinces are committed has remained elusive.

Cousins (2005), advocating rethinking of land and agrarian policies and programmes in South Africa, notes the increasing reliance of the rural poor on multiple non-agricultural livelihoods, (including employment, remittances, pensions, trade, micro-enterprise and natural resource extraction as well as small scale farming), and argues that an area-based approach is required to create the conditions to integrate diverse elements and ensure coherence of an effective agrarian reform, involving a restructuring of rural socio-economic space and socio-economic relations, This should take place, Cousins argues, alongside a more wide ranging programme of land transfers, major improvements in infrastructure, support services and extension, a break from market led approaches, and a central role for the state together with progressive forces from civil society in driving land acquisition and distribution. Planning for land and agrarian reform should become central to IDPs, with the active participation of beneficiaries, and more systematic provision of infrastructure and support services, for which the private sector and civil society can assist in delivery alongside the state. Such an approach requires considerable capacity building and innovative institutional arrangements to link central to local government, support for rural enterprise and organise inputs and marketing.

A number of recent studies including those reported here and others undertaken by HSRC have focussed on the achievements and impacts of land reform programmes within specific areas and their actual and potential contributions to local economic development in South Africa. In addition, the Area-based Land Reform Initiative (ALRI) in Makhado, Limpopo Province, has examined the possibilities of addressing demands and opportunities for land reform more systematically on an area-basis, and of greater uptake of questions of agrarian change by local government through the IDP process.

### **3. LAND ACCESS AND RURAL TERRITORIAL DEVELOPMENT IN PRACTICE**

What does practical experience tell us about the progress of territorial and area based approaches in practice, and the issues and opportunities encountered in applying these new approaches? This section presents evidence from case studies undertaken in South Africa and Brazil, which have focuses on the potential of territorial approaches to facilitate agrarian reforms, and seeks to distil wider lessons concerning the relevance and feasibility of rural territorial development. Although the case studies conducted under this paper's parent research project have are still to complete and report in full, they shed light on the issues, and some preliminary conclusions can be drawn. The case studies which are discussed here are:

- The territorial development process in Médio Sao Francisco, Bahia, Brazil
- Attempts to develop an area-based approach to land reform in Makhado municipality, Limpopo Province, South Africa
- A study of the progress and impacts of the LRAD (Land Reform for Agricultural Development) programme in Elliot District, Eastern Cape South Africa

The findings are reviewed under three headings:

- The construction of territory and territorial identity
- The progress and impacts of land reforms at territorial scale, and
- Constraints and opportunities in institutional transformation

### **3.1 The construction of territory and territorial identity**

#### *3.1.1 Territorio de Velho Chico, Bahia, Brazil*

In the interior of Bahia, Northeast Brazil, territory has been constructed through processes of land occupation and colonisation by both powerful politically connected interests and by small-scale farmers, and the development of social and market networks centring around trade routes and medium sized towns. Médio Sao Francisco comprises a region composed of 16 Municipalities in the middle part basin of the Sao Francisco river basin in Bahia, with some 373,000 inhabitants, around 60% of whom reside in rural areas. Partially settled and claimed during the colonial occupation of Brazil the river basin formed an important trade and transport route for the exploration of north eastern and northern Brazil.

In common with other regions of the semi arid *Sertão*, the area also formed a centre for provision of cattle and human labour – in the form of slaves – to the sugar estates on the coast. As a result the riverine areas and arid rangeland became populated by the descendents of migrants and escaped slaves who established communal pastoral and extractive livelihood systems reliant on combinations of cattle raising, seasonal flood plain and dryland arable farming, and fishing (Germani et al 2005 and 2004). Particularly after the end of slavery, and as a result of the unreliability of rainfall and farm production, cyclical labour migration, principally to the Sao Paulo Region (Estrela 2003) became a vital and characteristic feature of the livelihood systems of the area.

As settlement by the landed class continued, and vast colonial estates changed hands, the traditional riverine, pastoral former slave communities (*quilombolas*) became surrounded by private property, and generally required to contribute labour to cattle raising enterprises in return for land use rights, while the extensive production systems the communities had established were allowed to continue (Amorim 2004). The process of private land occupation intensified however from the 1960s and 70s when the state sought to develop the river basin, firstly through irrigation schemes, and subsequently through tax incentives for investment in cattle and dryland farming via SUDENE, which prompted a wave of land acquisition (in many case simply through erecting fences and claiming ownership) and subsequent land speculation to attract the subsidies available. In many cases the funds were used for investments elsewhere and the farms established in the Sao Francisco valley itself proved unsustainable. The subsidies to land investment by SUDENE led to an increase in land values, encouraging a process of market development and the gradual encroachment on to land under customary management by traditional communities. This involved the widespread loss of land and resource rights by the original inhabitants, though enclosure of communal rangelands, displacement of communities and confinement to limited areas on the banks of the river and within private *fazendas*. This in turn led to processes of spontaneous and organised resistance, supported initially by the church and subsequently by a variety of social movements, in defence of traditional livelihood systems, recognition of community identity and restoration of alienated land rights (Germani et al 2005).

A characteristic of MSF is the considerable diversity of “traditional” communities dependent on a common natural resource base and broadly similar livelihoods strategies, and facing similar problems of land dispossession and encroachment at the hands of more powerful, politically connected interests. Territorial identity of specific communities and social groups has found expression via the organisation of social movements seeking the protection and restoration of land rights. This has occurred at two levels; struggles for territorial rights of specific communities, such as agro-pastoralist groups, and *Quilombolas* - communities descended from African slaves - over rangeland and riverine areas in which they depend and with which they identify closely; and networked initiatives connecting communities with similar and related historical origins to defend common interests across the wider region.

A principle agent in the recovery of cultural and territorial identity of these marginalised groups has been the Church, organised on a diocesan basis across an area corresponding broadly with the middle Sao Francisco basin, and facilitating the establishment of a series of social movements working with poor rural communities on a similar diocesan and territorial scale, such as CPT, *Comissão Pastoral da Terra*, working with landless rural workers, and *Comissão Pastoral do Negro*, working with *Quilombola* communities. In the 1970s, CPT initiated the establishment of an NGO, working across the territory, FUNDIFRAN, focussing initially on the health needs of rural communities, but coming to concentrate increasingly on supporting communities’ struggles for land access in response to their common demands. FUNDIFRAN in turn facilitated the emergence of a social movement, CETA (*Comissão Estadual de Trabalhadores Assentados e Acampados*, whose primary base is in this region) concentrating on giving political voice to defend the interests of land reform communities and supporting land occupations by the landless. Bahian federations of Rural Unions, FETAG and FETRAF, both associated with CONTAG have also been active across the area, working with landless workers and agro-pastoral *Fundo de Pasto* groups. All of these groups have been constitutive of the territorial identity of the region.

The third and most recent phase in the construction of territorial identity of the rural poor of MSF has been the networking and coordination of all of these groups to advance common concerns. Their similar predicaments, and common sense of identification with the Sao Francisco River (*Velho Chico*) and with the Catholic faith – including the annual religious pilgrimage to Bom Jesus de Lapa in the south of the territory, alongside which CPT has organised major mobilisations and demonstrations by landless groups have facilitated this common endeavour and identity. However the emergence of a common territorial platform for rural development is a direct result of MDA’s territorial development initiative to create a more favourable policy and institutional environment of family farmers and land reform projects which focussed on MSF as one of its initial priority territories in Bahia – itself a result of the density and diversity of landless groups and land reform initiatives.

The process has followed broadly the methodology set out by MDA / SDT and has been facilitated by the coordinator of FUNDIFRAN under contract from SDT. Through a series of participatory workshops during 2005 it has progressed to the early stages of development of a territorial plan, having established a territorial commission (in practice a broad based forum comprising the representatives of the different rural social movements, together with interested, Federal and State government agencies, NGOs and municipalities) and an elected management committee, and identified a series of priority infrastructure projects intended to open up economic opportunities in areas such as livestock and meat marketing and honey and bio-diesel production to land reform and small farmer communities across the territory.

By way of commentary on the impact of the process so far in terms of construction of social capital at a territorial scale, the MSF study team formulated a number of points debated at a territorial forum workshop in December 2005:

- The process is succeeding in bringing together diverse social groups and organisations around common concerns, contributing to the emergence of a sense of territorial identity and collective social capital.
- However the process has been largely confined to the leadership of the different social movements, and it is not clear how effectively they represent the concerns of their constituencies. A participatory territorial project highly dependent on effective vertical and horizontal communication and the effective integration of local concerns into an overall territorial vision.
- Representation of municipalities has been weak, in part because of the lack of interest of local politicians in wider territorial concerns – although these align more closely with the dynamics of economic development, and opportunities for linking with broader regional markets, they threaten to undermine municipal political power. However this also risks de-linking the territorial development experiment from more local development visions and existing institutional mechanisms for project implementation.
- Private sector interests are absent from the process, not surprisingly since it has been intended to realise a development vision founded on the interests of the rural poor, which have been sharply opposed to those of landowners. However, in the absence of a wholesale transformation in the structure of land ownership, this means that a full range of possible development partnerships and opportunities are not being explored. Together with the absence of Municipal authorities (whose interests coalesce with those of landowners and the organised private sector) this reinforces the view of the RTD process as a partial, political project of the PT government, intended to create an alternative popular bloc to challenge localised, parochial political power and the dominant development model.
- As a Federal government initiative, the process has tended to focus on opportunities for civil society collaboration with government programmes, in particular support to projects prioritised by the territorial forum for MDA's small scale infrastructure credit line (*PRONAF infra-estrutura*). However these have been slow to materialise, and there has been less attention to initiatives strengthening horizontal coordination and networking across civil society and local communities themselves, leaving the *Território de Velho Chico* vulnerable to political change, in the event that an institutional platform for taking forward the territorial development plan cannot be consolidated within the life of the present PT government.

### 3.1.2 South Africa

The construction of new forms of territory in South Africa presents a very different picture, since patterns of land occupation and territorial identity remain largely divided along racial lines, as a result of the continuing legacy of apartheid spatial planning which created a mosaic of white-owned export crop producing commercial farms and marginalised “communal areas” where the black population depend primarily on labour migration. Despite the creation of new local government units bringing together urban and rural and former white farming and black communal areas, and the existence of a nominally participatory IDP process, the physical separation of the two communities remains largely in tact in rural areas as a result of the slow pace of land reform and its failure to date, to unscramble the apartheid map. Development planning at the local government level does not extend to land reform and agriculture, which remain, respectively, national and provincial level responsibilities. Moreover, there is no deliberate attempt or policy intended to facilitate territorial networking of civil society groups and social movements and their participation in development planning.



Historically a fundamental expression of territorial identity in South Africa revolves around the identification of tribal, lineage family groups which they inhabited historically, and over which they exercised customary rights. As a result of the history of force removals, these areas no longer correspond to the areas where communities reside, although they may overlap, which are in general overcrowded and incapable of supporting agricultural or natural resource based livelihoods. A variety of white commercial farming areas, such as those in *Makhado, Limpopo province*, the site of one of the South African case studies, are subject to community demands to recover alienated lands through the government's land restitution programme. Here, over 60 land restitution claims have been lodged by communities in former Venda, concentrated in the central Nzhelele valley area, a typical resettlement area that forcibly removed communities had been dumped in during apartheid era forced removals covering over 90% of land in Makhado (Nkuzi 2003).

In 2002, Nkuzi Development Association, a land sector NGO based in Limpopo province, embarked upon an Area Land Reform Initiative (ALRI) with the specific aim of developing an approach that could meet the challenge of delivering land at scale across the Makhado municipal area and enable the transfer of land and successful land use within a broader development strategy. Nkuzi's key partners in the project are the Makhado local municipality and the land reform forum that is the local structure of the Landless People's Movement (LPM) comprising land restitution claimant communities within the municipal area. The strategy has centred around facilitating landless communities in the development of a plan for land and agrarian reform in the Nzhelele area, part of the former homeland of Venda, and as far as possible meeting the needs of some 10,000 farm workers many of whom live with their families on the farms.

Nkuzi's engagement has helped to consolidate the LPM in Makhado through the facilitation of a number of local land reform fora and a Makhado wide forum, and to assist organization amongst communities in taking common positions, and formulating a development vision. It has also led to increased participation by women and youth within the land claims committees at a community and forum level, the emergence of new community leaders and a more active role for the Municipality in land reform and restitution processes within the area, with a number of elected representatives now championing the area based land reform approach.

Nkuzi has also facilitated negotiation of community land claimants with the private sector in developing plans for the future management of viable, high value commercial farms located in the Levubu valley adjacent to Nzhelele, and the focus of the earliest and most high profile restitution claims. Indeed, the success of the restitution programme in transferring these viable high value horticultural enterprises in the Levubu valley to land claimant communities requires the development of new forms of partnership with the private sector, including existing land owners, to maintain productivity, employment and access to global markets.

In the other South African case study in *Elliot, Eastern Cape Province* a former magisterial district corresponding with the white commercial farming area of what is now Sakhesizwe Municipality, and adjacent to the former Transkei, only one case of land restitution was encountered, owing to the fact that land alienation in the former Transkei took place predominantly prior to 1913 (the cut-off date for land restitution claims agreed in South Africa's constitution). Yet land reform, albeit through the vehicle of LRAD, retains a restitutive dimension, evidenced by the widespread reference by LRAD beneficiaries and neighbouring communal area residents to the recovery of the territory known as "greater Thembuland" (a former chieftaincy of the area that subsequently became the northern Transkei). Here, beyond efforts by the Department for Land Affairs (DLA) to target Elliot as an area ripe for land

redistribution as a result of the relatively large number of commercial farms on the land market, there has been no governmental or NGO initiative to develop a territorial vision and transform productive relations. Nevertheless the relatively high rate of land transfers to blacks through LRAD, as well as spontaneous market activity, has led to a changing racial pattern of land occupation, and indeed to changing social relations between whites and blacks, illustrated by cases of collaboration and mutual aid between neighbouring black and white farmers, and the inclusion of new black farmers in formerly white only marketing and input supply cooperatives.

Unlike Brazil, and despite the absence of any real consideration of agricultural employment, livelihoods and development strategies within South Africa's organised IDP and LED processes, the emergence and facilitation of negotiations and partnerships between landless communities and the private sector provide one possible avenue for the creation of more integrated non racial territorial strategies for economic development. In fact, land restitution, land reforms, and agrarian development appear to constitute the key arena through which transformation of the apartheid landscape may eventually be possible, by virtue of their implications for spatial development and the need for direct collaboration of communities and the private sector, if indeed South Africa is to retain the productivity, employment and foreign exchange earnings benefits of commercial farming in the face of the political demands for land rights.

## **3.2 Land reforms at territorial scale**

### *3.2.1 The Medio Sao Francisco (MSF) study in Bahia, Northeast Brazil*

An overview of rural land occupation in the 16 municipalities comprising the MSF territory, Compiled from various data sources and extrapolating from empirical data collected indicates that some 90% majority of the rural population (itself about 60% of total population) engaged in some form of land reform process or struggle to defend and secure land rights.<sup>4</sup>

An initial wave of resettlement projects aiming to develop irrigated farming, proved only partially successful. The Serra de Ramalho project, begun in 1973 to resettle over 5,000 families displaced by the construction of the Sobradinho hydroelectric dam in the northern part of the river basin never benefited from investment in irrigation and failed to create sustainable producer organisations and development projects, as attention shifted to the Formoso irrigation project for commercial fruit production. The majority of settlers in Serra de Ramalho have returned to their home areas or migrated elsewhere, to be replaced by others, while the majority of the commercial lots in *Projeto Formoso* lie idle, although the smaller number of small farmers settled there are performing successfully. The overall picture is one of low returns for relatively high investment, underutilised irrigation capacity, and a failure by the state to target irrigation development on those most in need and most able to take advantage of it (Germani et al 2004).

In 1988, INCRA (the national land reform and settlement agency) has embarked on organised land distribution, expropriating illegally occupied and underutilised estates in response to demands by farm dwellers and the original occupants who lost land rights in the 1970s. To date there are 52 land reform settlements including almost 9000 families, around 20% of the rural population, none of whom benefit from organised irrigation provision, despite proximity to the Sao Francisco river. 20 of the 52 expropriation processes involved private companies created by SUDENE in the 1970s, and many if the remainder involved land illegally occupied by private

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<sup>4</sup> Presentation by UFBA study team, territorial development workshop, Riacho de Santana, Bahia, 9 December 2005

entrepreneurs, and so in practice land “redistribution” in MSF has had a strong element of restitution and tenure regularisation to remove land title was removed from irregular private sector operators and restore rights to remaining farm dwellers and former residents. Despite the progress of land redistribution, there are ongoing demands, alongside continued illegal land occupation and under-utilisation by landlords, reflected in growing numbers of land occupations and land reform camps, particularly from displaced farm workers and dwellers and from young people in existing land reform settlements.

Expropriation by INCRA, with payment of compensation to the private landlords, was also used as a means to provide land rights to *Quilombola* communities, for lack of any alternative mechanism. To date 60 *Quilombola* groups have been identified in the S.Francisco valley, many of whom remain in conflict with private land owner (Germani et al 2005, Amorim 2004). As the settlement of the region becomes better understood, the *Quilombolas* are emerging as the most significant segment of the rural population – estimated at around 30 – 35%.

Another social group demanding tenure regularisation and land title are the *Fundos de Pasto*, (Alcantara 2005, Santos 2005) agro-pastoralist groups whose principle source of livelihood is sheep and goat production, who have evolved complex and distinctive systems of common property involving combinations of arable and grazing household plots, communal rangelands and land pooling systems. These communities began enclosing land defensively in response to encroachment by private livestock farmers. Although legal recognition and tenure regulation has been partially successful, the state land law does not recognise common property, and common land has been divided into individual titled lots, leading to incipient conflict in a context where private land has begun to acquire market value, owing to the demands of private cattle production, and the land speculation process unleashed in the 1970s. Similarly to the case of *Quilombolas*, available legal instruments and land reform programmes have proved ill suited to the needs of local communities, who require recognition of common property, extractive reserves, and above all, a systematic programme of tenure regularisation.

Meanwhile debate in Brazil about the limitations of land expropriation has concentrated on the potential for market assisted land reforms. Since the late 1990s, 16 land purchase settlements have been established in the area, are all relatively small, involving some 400-500 households in total. Despite the interest of landlords in the scheme which provides ready cash for land supplied relatively land has been transacted, and there is limited scope to do so. Experience in MSF demonstrates that not only is the sheer size of most private estates put them beyond the reach of purchase by the poor, but many landlords are unable to demonstrate legitimate ownership, making their land ineligible for government assisted purchase through *Credito Fundiario*. Even where land owners are legally eligible to sell to the scheme, there are failures to recognise the rights of existing land users which have led parcelling out of land claimed by resident *quilombola* groups for sale to groups of buyers initiated and assembled by the owners. In addition *Crédito Fundiário* beneficiaries face higher than average risks of indebtedness because of the need to start repaying loans for land purchase absorbs the greater part of the loans available owing to the relatively high market prices paid for unimproved land, and the need to raise additional credit to support productive, income generating projects.

Land Reform projects of all kinds in MSF face difficulties of limited access to markets, poor transport, communications, a lack of infrastructure and small scale capital for development projects. Nevertheless, land reform movements and civil society groups have maintained pressure for provision of basic health services and education facilities, as well as providing training, including through a network of agricultural schools established in the region. In addition new MDA policies and programmes have enabled better alignment of small scale credit and

agricultural provision with land distribution and food production and marketing by the family farming sector as a whole. Despite difficulties, in particular in implementing income generating and development activities, land reform in MSF appears to have a significant impact in improving subsistence livelihoods and expanding the market share of the poor (although available information sources do not permit disaggregation of production and marketing data between family and commercial sectors).

In the absence of alternative sources of cash income, the sustainability of land reform settlements and traditional peasant communities is also compromised by large scale extraction of charcoal from native woodlands, organised by external business people and destined for urban markets in Sao Paulo and Minas Gerais. The region has also traditionally supplied labour to urban markets particularly in Sao Paulo (Estrela 2003) and labour migration continues from land reform projects, leading to the emergence of informal markets and some difficulties in project stability and management. However most migrants retain strong links with the territory, remittances make important contributions to livelihoods and provide sources of capital for farm and other investments, and educated returnees from the south appear to be playing important roles in local communities and their struggles for recognition and for land. The phenomena of environmental degradation and labour migration remain poorly documented and understood, and so far have not been addressed by the territorial development process.

### *3.2.2 The ALRI approach in Makhado*

Despite the large number of land claims in Makhado few have been settled. The limited headway made as yet by ALRI and the fact that at the Municipality-wide extent of restitution claims makes it difficult to go forward with a large number of redistribution projects, and means that in practice there was very limited experience of successful land transfers for this case study to assess. Despite the enormous potential significance of land restitution for economic inclusion in Makhado, greater evidence on the impact of land reform at territorial scale in South Africa is provided by the Elliot study.

The few LRAD projects and the handful of restitution claims that have already been settled with return of land in Makhado illustrate the absence of a clear strategy lack of a post settlement strategy. Makhado, like most municipalities had no plan for dealing with land reform through IDPs, despite the fact that settlement of the land restitution claims covering most of the municipality's surface area would have a far reaching effect on economic development and would indeed affect most developments already planned within the IDP. This highlights the need for a clearer overall development vision and strategy linking across the different levels and branches of government responsible for land restitution, land reform and economic development planning, within which the critical role of local government in delivering development support to rural communities is better resourced and coordinated with programmes managed at central and provincial levels.

### *3.2.3 Elliot <sup>5</sup>*

The case of Elliot demonstrates successful progress of a market based land distribution programme, LRAD, perhaps the most successful case of land transfers through the LRAD programme in South Africa, having transferred around 10 -15 % of formerly white owned farm

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<sup>5</sup> This discussion is based primarily on a paper by Michael Aliber, Patrick Masika and Julian Quan (2006) and a workshop discussion of the findings of the Eliot case study held in East London, South Africa in November 2005.

land into the hands of relatively poor blacks, through approximately 50 land purchase projects, involving 350 grant recipients.

The programme has done this however, in a context of restructuring of commercial farming in South Africa, and has in fact facilitated exit from, and consolidation of the white farm sector, by less successful (or retiring) and more successful white commercial farmers respectively. As a result of rising costs, loss of subsidies and diminishing markets there has been a net decline in farm employment in Elliot district, estimated by a survey undertaken by the case study at around 50% over a 30 year period from the mid-1970s. The decline has been particularly steep since the late 1980s.

The LRAD programme has created jobs, but not in sufficient quantity to compensate for the net loss in farm employment, although it has cushioned the impact of economic restructuring. Moreover the study revealed little scope for continuing land transfers at the rate seen in the 2000-04 period, with remaining white farmers unwilling to sell.

#### *Impacts on beneficiary groups*

The beneficiaries of the LRAD programme fall broadly into three groups:

- Black entrepreneurs, from neighbouring areas of former Transkei who had begun buying land on the market anyway but who received subsidies from the LRAD programme
- Poorer households from neighbouring Transkei, who have clubbed together to access LRAD grants at sufficient scale to purchase land.

Poorer LRAD beneficiary groups clearly suffer from difficulties in managing the land reform projects, including high rates of beneficiary absenteeism. Only about 50% of grant recipients were found to be active on the new farms - while not necessarily a problem, this restricts the labour inputs the farms receive – and in 10% of cases members were only involved at a distance, relying on hired in labour to manage cattle transferred from the communal areas to the farms acquired. Other problems include weak or absent farm infrastructure (owing to neglect by former owners), pointing to problems in the valuation procedures for the scheme and particularly in access to small scale capital to maintain and replace the fencing and farm machinery required to sustain or develop arable and horticultural projects on farms in which the principle activity has been livestock production. These groups also tend to suffer from limited access to markets and to social facilities, as a result of the lower prices (and therefore easier accessibility to poorer groups within the LRAD programme) and relative isolation of the land acquired (frequently in the foothills of the Drakensberg mountains to the North) due to poor road access and lack of transport, factors which frustrate settlement by beneficiaries, in turn undermining the sustainability of their farming projects.

Former workers on the farms acquired, including farm dwellers are amongst the poorest groups in South Africa, have seen the least benefit from the LRAD programme. Whereas some have joined Communal Property Associations established by the new owners, and others have formed CPAs of their own, and indeed DLA has encouraged their integration with the programme the majority have simply disappeared from official statistics and moved on, presumably into neighbouring communal areas, leading to the conclusion that additional targeted measures would be needed to safeguard the livelihoods of farm workers themselves.

Allowing for the loss of farm worker jobs as a result of land transfers, and the fact that some of these would have been lost in any case as a result of market trends, the Elliot study calculated that LRAD projects had resulted in a net gain of some 130 new farm livelihoods created, comprising the active beneficiaries of the land purchase projects, plus hired in labour. Thus land reform has

mitigated the overall increase in farm unemployment (perhaps by around 10 -15%), but not compensated for it.

If the progress made by LRAD in Elliot were to be sustained so as to reach the government's 2015 target of 30% of land transferred to poor blacks, then the land purchase programme would absorb only about 6% of the unemployed of Sakhesizwe municipality which contains the Elliot district, and only 2% of the unemployed of the wider communal territory comprising Sakhesizwe and Engqobo municipalities which has provided the catchment area for grant assisted land purchase of white farms in Elliot.

#### *Livelihood benefits*

While it remains too early to assess the long term livelihood impacts, the LRAD projects in Elliot district show clear benefits in terms of additional access to pasture land for beneficiaries and increases in stock numbers. Improved mobility of stock between communal and commercial areas was also widely cited as an advantage of the scheme and grazing and population pressures in neighbouring communal areas have been reduced. Clearly, however members of land reform beneficiary groups are also engaged in other, off farm livelihood activities, whether in their areas of origin or through migration to major urban areas, and this explains the levels of absenteeism from the projects identified by the study. A limitation of the study discussed here was the lack of opportunity to assess the diversity of respondent's livelihoods, and the roles played by the interaction between farming in land reform settlements and other activities, and the nature of and reasons for their continued mobility.

The commercial sustainability of the transferred farm enterprises remains in doubt however this is a significant part of the critique of land reform in South Africa. Beneficiaries face problems with credit and infrastructure, and are unable to sustain arable production. 55% of LRAD projects in Elliot produced no garden crops, even though the majority of the farms transferred previously did. Of those that did produce garden crops, 44% did so purely for their own consumption. The longer term commercial livestock off take and dairy output, and the sustainability of the improved stocking rates are also uncertain. The provincial Department of Agriculture are criticised for failing to provide post-settlement support, and failing to coordinate effectively with DLA's successful, area focused approach to planning. Nevertheless, beneficiary satisfaction is relatively high, and to a degree, poor and landless farmers from former Transkei have been able to adapt the scheme to meet their own livelihood needs. The indication is that in Elliot, the LRAD programme is succeeding but not in its own terms – as a vehicle for creating a new emergent class of black farm entrepreneurs - but rather in terms of the livelihood objectives of the beneficiaries themselves.

### **4.3 Challenges in institutional transformation**

This section devotes most space to the institutional issues and challenges which are emerging in Médio São Francisco, the case study in which practical progress in adoption of a territorial development approach is most advanced. The issues emerging pertain to problematic aspects in the introduction of a territorial methodology in a pre-existing institutional context, rather than to land reform issue specifically. We return to a more synthetic perspective drawn from all three case studies, with an explicit focus on land reform issues in section 5.

#### *4.3.1 Institutional issues in the Medio Sao Francisco territorial development process*

The institutional challenges in Médio São Francisco relate directly to the issues raised at the end of section 4.1.1 in relation to the construction of an effective platform for developing a territorial

plan and implementing priority projects, most importantly the lack of participation by municipalities. Underlying this problem is the fact that the new territorial structures being implanted remain in a pilot stage, lacking a clear status and mandate in relation to the constitutionally pre-established structures of local government, and without significant legal and resource power. They represent an alternative political project intended to boost participation by civil society in regional and local planning and to overcome the difficulties imposed by predominantly conservative and parochial municipal government allied to the dominant land classes of rural Northeast Brazil, presiding over administrative units in general too small to stimulate dynamic economic development.

Participation in the territorial process is essentially self-selecting and as a result the relevant Federal government agencies - controlled by the PT government - and only some municipalities participate – those that are politically sympathetic, or those where meetings and events happen to be located. In addition the guidelines for the composition of the new territorial development structures prescribe a 50/50 balance of civil society and government representatives in territorial management committees. By design or by default, as a result of the wide range of government agencies involved, only one place is reserved on committee for a “representative of the Municipalities”, which in a territory composed of 16 politically diverse municipalities, effectively excludes the majority from a management role, and fails to facilitate coordination across local government – arguably a pre-requisite of effective territorial planning. While Municipalities need to adopt shared and integrated approaches to development but may have very little incentive to collaborate with participatory territorial development frameworks established by some sectors of federal government and civil society, which can threaten the political power base of local politicians.

The principle practical problem is in establishing viable financial and contractual mechanisms of the implementation of territorial projects. While funds for the establishment and operation of the territorial commission, planning workshops and territorial development training for participants are passed through an *entidade proponente* (in the case of MSF this is CODEVASF, the Sao Francisco river basin development authority) the law requires that all project works must be contracted by the Municipality in which they take place, or a State Government agency, even though the funds originate with Federal Government. This is illustrated by protracted difficulties faced in finding a mechanism to implement the first *PRONAF infraestrutura* project prioritised by the territorial development commission – an abattoir and refrigeration plant intended to facilitate marketing of livestock products by the *Fundo de Pasto* communities in and around Oliveira dos Breijinhos Municipality. When the local prefect was approached to contract the works he refused, on the grounds that the project had not been approved by the Municipal rural development council (prior to the advent of RTD initiatives these councils have been responsible for approving all local rural investment projects and the focus of consultation between local government and civil society). The Prefect wished to cite the project in a different location, to serve commercial producers and his political allies, closer to the municipal centre instead of the pastoral communities who conceived the project. The situation reached deadlock, and the Territory took the project to the State Government Secretariat for Poverty Reduction, but here it joined a lengthy queue and it proved impossible to expedite it within the fiscal year. The territorial commission is now seeking approval from Federal Government for CODEVASF to deficit finance the project and recover the funds from SDT – if this is not legally possible then the only alternative would be to plead with the local prefect for his assent to authorise the works.

A similar situation could well arise in relation to other territorial projects and underline the likely need for legislative and fiscal reforms are likely to be needed to mandate compliance by local government in resourcing and implementing territorial development programmes and responding

to the demands of participatory territorial bodies, and / or enable other bodies including federal agencies, municipal consortia and NGOs to undertake territorial projects. This has potentially far reaching implications for the nature and accountability of decentralised government in Brazil, and may require constitutional amendment. It also illustrates the fragility of the territorial endeavour, as presently designed, closely wedded to the execution of projects as a primary incentive for participation and indicator of success, risking de-mobilisation of participants in the event of failure. Although not yet discussed in MSF, in the final year of the mandate of the Lula government, a number of other territories in Bahia are now investigating the possibility of establishing new legal entities, NGOs or institutes of their own in order to sustain the territorial development process, in the event that a future government no longer supports it.

As a result of SDT's mandate to facilitate horizontal coordination of MDA's own programmes, and the nature of the territorial process in bringing together the representatives of small farmers and landless groups within a single framework, there has been success in building horizontal across programmes for land reform (INCRA), *Credito Fundiario*, production and infrastructural credit (administered by the *Banco de Nordeste*), and food security (now led by MDS, the Ministry for Social Development). EBDA, a state government agency responsible for agricultural extension has also bought into the process. CODEVASF collaborates directly showing willingness to integrate its own development projects into a territorial plan, and respond to demands from civil society. IBAMA (the Federal environment agency) also participates but this has not led to practical developments in response to social movements' environmental agenda on issues such as control of charcoal extraction, or wetland and *caatinga* (dryland forest) management.

However, as a result of an only partial ministerial buy-in, the territorial planning process is failing to engage at a wider level with sectors and forces which have a driving influence on certain aspects of regional economic development. These include large scale commercial agriculture (the Ministry of Agriculture – whose role in NE Brazil is primarily one of support to agribusiness sector operates along entirely sectoral and commodity focused lines, a non-territorial perspective) and urban enterprise and industrial development (led by municipalities and the private sector). The Ministry of National Integration (MINTEGRA) although allied to MDA in promoting territorial development, is promoting the controversial project to divert the waters of the Rio Sao Francisco for large scale irrigation projects and urban water supply in other states of the Northeast, universally opposed by social movements and indeed state government agencies in Bahia. While the top down nature of the project excludes the new territorial structures from consultation around the project, they could become involved in the alternative project for the revitalisation of the river basin, launched by government in response to demand for development assistance and better environmental management and coordinated by MINTEGRA and CODEVASF.

A further institutional issue identified by the study is the difficulty in arriving at consistent definitions of territory shared by the different players. Territory can exist at different scales – local, regional, and even national – and a defining characteristic of territory is the exercise of power and authority over physical space. The notion of territory is thus frequently disputed with overlapping boundaries including the planning units of local government and different sectoral agencies, groups and the spatial organisation of civil society indigenous and customary groups. In MSF there has been uncertainty, particularly at the outermost margins as to which territories are to be included, with 3 Municipalities joining to join neighbouring territories. The situation results from different perceived advantages being part of one territory or the other in terms of access to resources as well as questions of territorial identification with a particular space, and the pre-existing territorial basis on which key players operated which overlap, but do not correspond



directly with the territorial boundaries as recognised by the official territorial development programme. Arguably, however, maintaining flexibility in the early stages is critical since Brazil's rural territories remain very much in process of construction. Rigid territorial boundaries tend to reduce territory to an administrative planning unit as opposed to a more open set of interlinked social spatial and market networks with a common sense of identity with non-precisely bounded geographical areas. Moreover the theory of territorial development stresses the importance of integrating development actions at different scales - so that programmes and projects funded and managed at federal state and municipal levels, or by agencies, NGOs and social movements operating at different regional and local scales can combine to deliver outcomes which are coherent and tangible for the different actors. Although participants in Velho Chico territorial workshops did clearly have difficulties in reconciling actions at the territorial and more local / municipal scales, this too appears to be an inevitable part of the learning and development process in establishing a coherent territorial plan, and depends on effective and articulation with planning processes at the local and municipal levels and could communications with constituent communities and social groups.

Real problems may arise however where duplications and conflicts develop between regional and territorial planning frameworks managed by different agencies or levels of government. Here it is worth noting that Bahia's state government, which has long practised top down regional economic planning centring around economic regions which correspond broadly but not exactly with the more participatory territorial divisions adopted by MDA/SDT. Bahia has in many ways accepted the principles of territorial development planning – that municipal units are too small and too parochial to adopt a wider development vision, and that greater participation by civil society is necessary, and the state government is collaborating with the MDA led RTD process, through the establishment of a mixed state and civil society *Coordenação Estadual dos Territórios*. However the State Planning Secretariat has also begun its own territorial style regional planning programme *Nossa Região* based on its own definition of economic regions and drawing on existing cases of inter-municipal consortia, or sectoral led, multi-municipal development programmes (even though these may not cover the entire region in question) and involving economic-environmental zoning, investment planning and direct participation of the private sector. Although the programme remains at too early a stage to register conflicts with MDA's RTD process (and Médio São Francisco is not a pilot area for *Nossa Região*), ultimately it will be necessary to find some interface whereby rural social movements and development agencies can engage with municipalities and the private sector within a common territorial forum if more inclusive and coherent regional development programmes are to be put in place. Such a forum is likely to be a focus of conflict itself, as a result of the divergent socio-political interests and orientations of the different actors, a common framework could at least begin to institutionalise a forum for negotiation and conflict resolution, instead of glossing over the contradictions inherent in consensus based territorial planning by creating separate fora sponsored by differing political interests at different levels of government.

### 3.3.2 Elliot

The progress in land distribution in Elliot district has been achieved without any institutional innovation towards a more integrated territorial approach, involving coordination between different agencies and levels of government or mechanism for consultation and partnership with civil society. The principle success factors area to have been the decision by DLA itself to target the area based on a regional diagnosis of demand and of land market conditions, and those specific local conditions affecting the commercial farm sector. However, despite the significance of agriculture for local economic development, a territorial perspective like that adopted in Brazil, which would enable coordination of national land reform and provincial agricultural development

programmes with decentralised local government planning, and promote greater social participation, has hitherto been absent.

If further progress is to be achieved, with greater livelihood, employment and economic development impacts, it is likely that the approach will need to broaden out across neighbouring districts, with stronger institutional coordination. First, closer coordination will be required between DLA and the Provincial Department of Agriculture, focussing on the agricultural support needs of land reform farmers across Chris Hani District Municipality, in line with Eastern Cape Province's professed development strategy. Second, mechanisms are needed to link land reform to the Integrated Development Planning (IDP) process at Municipal and District levels, in order to deliver effective social and infrastructural support. However, there is at present no policy framework in place to facilitate a third institutional innovation: to ensure that land reform can be factored into local government planning and local economic development.

### *3.3.3 Institutional Issues in Makhado*

A Makhado land conference in August 2004, attended by the Minister for Agriculture and Land Affairs, discussed Nkuzi's proposed ALRI approach in which government departments, community organizations and other stakeholders would collaborate around an integrated and common approach to dealing with land and related development issues within the Makhado area, with a central role for the Municipality in driving the process. This will require the decentralisation of decision making powers and control of resources and establishment of a multi disciplinary team, initially with staff seconded or assigned from the key departments, to implement the work at the local level, including facilitation of land acquisition and distribution, and of improved access to capital, markets and extension services and infrastructure provision.

However, despite official pronouncements of support for this approach, there has been a failure of government departments to commit to the roles and responsibilities identified and to allocate the required resources, and as a result the ALRI approach has not move forward except where Nkuzi has directly intervened to pressurise government and to facilitate the development of the Makhado land reform forum and facilitate discussions between claimant communities, commercial farmers and potential private sector partners for farm management on the land under claim in the Levubu valley.

Positive results so far include the systematic compilation of the information on land claims which has demonstrated clearly that a developmental approach is needed, and recognition by the Provincial Land Claims Commission that restitution claims must be dealt with in clusters to facilitate the settlement process, and that partnerships with the private sector are critical to safeguard the future of thriving enterprises. There is also considerable interest in uptake of the ALRI approach from the local Municipality, particularly amongst local councillors. However Makhado itself lacks the funds and technical expertise to resource the programme, and the municipality's economic development unit has been resistant to incorporating the ALRI programme into IDP proposals. Moreover, and the view taken by Vhembe District Municipality (responsible for approval of the Makhado IDP and channelling the resources to support it), has been that land restitution and reform are higher level responsibilities.

At provincial level there is also significant institutional inertia, a feature of the general "sectoral silo" approach which currently prevails in South Africa. Nkuzi has now requested government's official endorsement of the proposals as a pilot for an area based approach, and is investigating how to achieve greater ownership and engagement by the departments involved. Clear and

enforceable implementation guidelines are required, and it would be helpful if the Minister for Land and Agriculture, and Provincial Government in Limpopo could require all parties to formally negotiate an integrated approach, leading to some form of territorial agreement, formalising the commitments made by different stakeholders to work together, and a degree of pooling of financial and human resources. This would need to be an externally facilitated process, and given Nkuzi's own role as a key stakeholder and main proponent of ALRI, an independent facilitator would be desirable, in order to foster ownership of an integrated approach and broker a contractual agreement amongst different parties, an approach frequently adopted by successful territorial initiatives elsewhere. Once again, however, there is no policy framework which promotes such an approach, and as yet, no officially supported initiative through which it could be piloted<sup>6</sup>. It is also likely that local communities and their political representatives will need better levels of organization to mobilise behind improved strategies to hold government accountable for commitments made.

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<sup>6</sup> A stakeholder workshop organised through the Makhado case study agreed that such an independently facilitated agreement would in fact be needed, and Nkuzi subsequently drafted a quasi –legal agreement whereby the different stakeholders could agree to commit human and financial resources to support the local municipality in implementing the ALRI. However Nkuzi was unable to provide finance or gain high level political backing for a formalised negotiation process, and the agreement remains unsigned, with not status in law.

## **4. CONCLUSIONS AND POLICY IMPLICATIONS**

### **4.1 The value of territorial analysis**

A territorial analysis of land occupation and land claims can provide a practical basis for land reform strategies. The case study in Médio São Francisco in Brazil reveals an immense diversity of land use and land users, and that despite the popular image and rhetorical discourse of land reform in Brazil, there is a need for widespread and systematic tenure regularisation, which in fact has a land restitution dimension, to help secure sustainable livelihoods. The information gathered by ALRI in Makhado demonstrates the sheer scale and extent of land restitution claims, their potential impacts on employment and the economy, and the importance of developing effective private sector partnerships. A focus on the diversity of land occupation in South Africa, as opposed to specific land reform programmes also demonstrates the significance of farm dwellers and farm workers as an important group whose needs are going largely unmet by existing programmes.

Area focused analysis of land markets and market trends also illuminates the extent to which markets may be useful in assisting distributive land reform. This perspective helped to explain why market based land transfers had been successful in Elliot district, South Africa, but the market trends also indicate the limitations of reliance on this approach in future. Market conditions provided a clear window for grant assisted land purchase programmes to succeed, but as the market has opened up to blacks a new equilibrium has been reached with very limited new opportunities for land acquisition, and alternative methods will be needed. The artificial conditions under which the land market developed in the MSF region in Brazil actively fostered exclusion of traditional land users and the illegal occupation of land. In this context it is in most cases inappropriate to use the market as a means of restoring land rights. Only at the margin have purchase markets been able to help redistribute land rights, and indeed land illegally acquired by landlords is ineligible for disposal through market based reform land distribution schemes.

Area based assessments of the local economic development impacts of land reform programmes also demonstrate their potential and limitations. In Elliot, land reforms show some impacts on employment, but not as much as may have been hoped and action to create off farm jobs will be needed. In all cases, improved land access promises benefits for poor people's livelihood strategies, but there are problems in linking land transfers to follow-up development support. The potential to promote emergence of new groups of small scale commercial farmers appears to be more limited, as a result of market conditions and beneficiary aspirations, pointing to the need for modification of programme design and styles of development and post-settlement support to conform better with these factors.

Although the approach in Elliot was area based, and instructive, compared to the other studies it focused on a rather small and limited area. An important conclusion is that an effective territorial approach would need to encompass several neighbouring districts to enable a fuller picture of the place and impacts of land reform in the context of broader economic trends of farm restructuring, employment losses and creation, and the livelihood benefits in terms of better access to grazing land, increasing livestock numbers and decongestion of neighbouring communal areas (many of the beneficiaries of LRAD in Elliot came from outside Sakhesizwe Municipality). The planning of land reforms needs to take account of existing market and social networks as well as the historical and spatial patterns of settlement and migration (and in South Africa's case forced removals), instead of focusing on administrative spatial divisions. Territorial assessments show that administrative units are often too small to enable the coherent integration of land reforms with economic development. In other cases, as may prove the case with Médio Sao Francisco,

territorial units may be too large to enable effective planning and integration of local level action with a wider territorial perspective, because the territorial perspectives of key actors are more limited, and because communications and market linkages across the area as a whole are weak.

#### **4.2 Implementing land reforms on a territorial scale**

The findings of territorial assessments can lead directly to improved strategies for land reform and livelihoods support to land reform groups and communities.

In Elliot, although there was no formal attempt to analyse or plan on a territorial basis, DLA's knowledge of market conditions led them to target Elliot as a specific area, with considerable success. Moreover a clear conclusion is that closer coordination with Agriculture and with Municipal level development planning is needed to sustain the benefits land transfers. On the other hand, in order to sustain the rate of land transfers and achieve land reform at scale, government will need to deploy complementary methods of land acquisition and transfer, including expropriation (see Lahiff 2005). One strategy suggested by the Elliot experience, is to target incremental land acquisitions at the "land reform frontier" adjoining communal and acquired commercial lands, where land ownership by white commercial farmers can tend to become less desirable and less secure, and land prices lower, and this more amenable to reform. This may also facilitate broader settlement of beneficiaries, and creation of more sustainable communities, as land with better access to roads, markets, health facilities, schools and other infrastructure is brought back in to black ownership. On the other hand, the Elliot experience demonstrates, positively, that despite the initial fears of white farmers, that co-existence and collaboration between black and white farmers is perfectly possible. This has reduced white farmer insecurity and appears to have reinforced the reluctance of remaining white farmers in Elliot to sell – a factor which suggests that in order to bring about further transfers at a similar rate to that established, government will in fact need to move towards proactive, rather than market based land acquisition.

In MSF, territorial networking of diverse social groups enables more effective prioritisation of scarce resources both for land acquisition and for development support, which should feed into a territorial plan negotiated between civil society organisations and the state agencies involved, incoming the relevant mix of available instruments, and helping to shape policy around local needs. In particular, there is limited scope for market-based land transfers to the poor, but in addition "conventional" state expropriation of land does not apply well to the needs of a variety of groups. Tenure regularisation, and recuperation of illegally occupied public lands are needed on a much broader scale is needed, and the experience of regularisation to date has not made adequate provision for communal property in the land titling process in addition to delivering secure private rights over household and arable plots. Individualisation of land rights risks undermining livelihood systems based on natural resource extraction and communal grazing systems, which communities have resisted the illegal expansion of private estates to defend, and which is central to their identities.

In South Africa too, new thinking is needed in order to devise land transfer schemes which are appropriate to the livelihood and social aspiration of the potential beneficiaries, and in particular to capture livelihood benefits for commercial farm dwellers and workers, amongst the poorest social groups in South Africa, and for restitution claimants on commercial farmland. In Makhado, the ALRI process promoted the scaling up of settlement of land reform claims on to a clustered, territorial basis, while focussing attention on the need for genuine partnerships with the private sector and moving towards the establishment of these – given the significance of land restitution for the local economy, the nature of the claims which communities have over the land and their

complex mix of aspirations (including settlement, burial rights, owner operation of commercial and subsistence farms, increased employment and share ownership in community based commercial ventures simply transferring the land to communities, and / or allowing them to lease it back to existing commercial appear to be inadequate options. In addition to the need for commercial partnerships, the Municipality will need to get to grips seriously with the land use planning implications.

### **4.3 Institutional issues**

All of the case studies demonstrate the need for better coordination of land reforms with agricultural support. Brazil's territorial development initiative demonstrates how, in principle, this can come about, by reading across the different programmes of the Agrarian Development Ministry (MDA), and by engaging with state government and civil society programmes within a common framework, in which local for a determine priorities and appropriate mechanisms for securing land access. However, the leadership of different MDA programmes by different sections of the PT government, continuing centralisation at state level in their execution, and MDA's different programmes, and a continued institutional and political divide between MDA and the Ministry of Agriculture mean that fully coherent land reform and territorial agricultural development strategies are still some way off. A critical issue, therefore, is how effectively decentralised territorial structures can be made to work in order to shape government programmes and plans from the bottom up.

A first hurdle to be overcome in adopting a territorial approach to land reform is coordination within a particular sector and encouraging agricultural services to adopt a similar territorial focus within a common framework. However, a greater challenge lies in aligning resource allocation and planning by different sectors and levels of government within a common territorial framework. This is necessary both to ensure sustainable integration of land reform beneficiaries into the wider economy but also to draw on the potential of land reforms – where these are demanded at scale – to stimulate greater and more equitable economic development.

In South Africa, although local economic development has become a decentralised function of local government, for which in theory participatory planning processes exist, land reform and agriculture – which are centrally and provincially managed programmes respectively, are yet to be integrated into decentralised local planning, even in cases where there is high level political backing for an integrated, area-based initiative as in Makhado.

In newly defined “territories” such as MSF in Brazil, mechanisms are being put in place to align federal, sectoral and state government policy and programming with demand in civil society, but participation by municipal government is relatively weak, there is at best only partial stakeholder buy in to the new territorial structures which lack legal and resource power, and this situation risks undermining the sustainability of the approach. In Brazil, although Federal government's territorial development programme has created a limited opportunity for participatory budgeting for small scale infrastructure provision to support agricultural livelihoods, legal and institutional mechanisms for implementation rely on the collaboration of local or state government which is not always forthcoming. Both of these cases illustrate the need to facilitate broader institutional ownership and participation in territorial development process.

### **4.4 Overall conclusions**

The main conclusion to be drawn from these divergent case studies – which have focused on market and institutional conditions within specific areas rather than on specific social groups or

land reform programmes – is that an area based or territorial approach is essential to enable a progressive linkage between improvements in land access – though a variety of mechanisms which may or may not include the market - and sustainable improvements in livelihoods.

In theory, territorial approaches enable strengthened organisation of land reform groups over wider areas by creating platforms to secure institutional support, tackle collective production and marketing needs, and negotiate with private sector interests. They can also facilitate a more integrated approach to diverse and overlapping issues of tenure security, access to seasonal pasture, indigenous rights, land expropriation and restitution, and market based land access, as well as improved coordination and more responsive prioritisation by state agencies.

However, there remain significant institutional, legal and political difficulties, including the commitment of key sectoral agencies which remain wedded to an overwhelmingly sectoral approach, and in establishing and legitimising the authority of new, participatory territorial structures, due to weak commitment from state and local government agencies wedded to overwhelmingly sectoral and sometimes parochial approaches, which may also operate in alignment with organised commercial and agro-industrial sectors.

Creating opportunities for coordination between communities with common interests, and different social groups with shared objectives of tenure security and better access to basic infrastructure and technical support, credit and marketing facilities is fundamental to creating an environment in which land reform can succeed. However to translate the shared civil society visions which are emerging in areas such as MSF in Brazil and Makhado in South Africa into reality, an effective and legally sanctioned interface with local political power and with pre-existing planning processes are needed to enable participation in local economic development.

The evidence reported here illustrates that, as the theory suggests, and as the territorial policy experiment in Brazil promises, there is indeed scope for emerging territorial and area-based approaches to assist in re-configuring the theory and practice of rural development and redistributive land reform so as to assist in achieving more equitable and inclusive economic development. However, it also underlines the need to re-problematise issue of land access and inequality by taking a broader view of agrarian change and focussing on the critical role of the institutional pathways adopted by government agencies and on political strategies for institutional transformation.

In order to bring about more inclusive economic development however, territorial development cannot ignore structural inequalities. This requires a genuine mainstreaming of agrarian reform within these approaches, and development of institutional frameworks within which conflicts of interest between social groups, and different elements of the state itself can be properly addressed. Greater participatory democratic control over rural economic development will require institutional and legislative reforms which assure greater transparency and accountability over local and central government planning processes as well as the activities of the organised agribusiness sector, and which bring them together within a single policy framework for territorial planning.

Given a receptive institutional and policy environment, territorially focussed empirical and historical understanding of - settlement and market development processes and the dynamics of conflict over the control of land, natural resources and the nature of economic development – has much to contribute to sustainable rural development and poverty reduction in the longer term. This research has found that an appropriate institutional and policy environment is developing in Brazil, but is so far absent in South Africa. Despite South Africa's pioneering a participatory and

“integrated” municipal planning approach through the IDP system, and some limited progress in transferring land to the black majority, the country has so far been unable to overcome the institutional and spatial barriers integration bequeathed from the apartheid era.

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## Annex 1. Brazil's territorial development process

For a number of years Brazil's Geography and Statistics Institute (IBGE) has recognised, without employing formal criteria, that Brazil's 5,506 municipalities constitute 560 "geographical microregions" based on their general characteristics and interactions, and each with a round 50,000 inhabitants. Of these 450 are considered to be essentially rural, including their respective small and medium sized towns. To constitute "territories" these micro-regions must demonstrate characteristics of economic and cultural identity and social cohesion, including institutions and markets through which different social groups relate to one another.

While retaining a margin of flexibility, MDA used this classification of micro-regions to identify priority territories through a process of participatory discussion at local level, involving NGOs and social movements. During 2003, following the election of the Lula government, the national land reform institute, INCRA developed a set of priority areas for agrarian reform, focussing on those with the greatest concentration of land reform settlements and landless people, broadly overlaid with the regions within which land reform social movements planned their activities. MDA / SDT then modified this selection taking into account the significance of family farming as a whole, region by region, and levels of social capital indicated by the presence of NGOs, networks and programmes, considered capable of strengthening social organisation and coordination across these regions, and facilitating the convergence of regional development priorities and programmes of Federal and State governments and civil society (SDT / MDA 2004 a). This resulted in a first cut of around 63 territories (3-4 per state) covering 878 municipalities in which territorial development initiatives are to be prioritised. SDT plans gradually to expand these around 225, or half of the rural territories in Brazil, in which territorial development initiatives will occur during a fifteen year period.

SDT has constituted broadly representative planning fora in its priority territories, with equal government / civil society representation – *Comissoes de Implantacao das Atividades Territoriais* (CIATs). The idea is that these bodies should come, incrementally, to orient MDA and other public agencies policies and plans across the territory as a whole. An initial priority – and incentive – is the reform of infrastructural planning through a participatory budgeting and prioritisation process through new democratic territorial structures, for the *PRONAF-infraestrutura* credit line, potentially extendible to other areas of planning. The CIATs were conceived as new collegiate bodies operating between the state and municipal levels of government (at which sustainable rural development councils already exist). For day-to-day coordination, a CIAT is backed by a *nucleo gestor* or coordinating group, comprising key individuals from the government and civil society bodies most active in territorial planning, and supported by a territorial development coordinator commissioned by SDT.

The first 15 year cycle of PRONAT is projected in three phases of approximately 5 years each:

- A. *Awareness raising, mobilisation and articulation of social actors*, through diagnosis and dialogue to identify the space and characteristics of the territory, and establishing the CIAT, *nucleo gestor* and preliminary elements of a territorial plan.
- B. *Planning and management of territorial development* - developing the capacity of stakeholders to develop a broadly consensual vision, with goals and objectives, diagnose opportunities and constraints, and establish practical strategies and priorities, encapsulated in a "Territorial Development Agreement" amongst the range of groups and organisations to be involved in implementation.

- C. Project implementation, evaluation and readjustment strengthening institutional coordinating capacity, focussing on implementing territorial policies, programmes and projects, agreed in the planning phase. Specific projects are conceived as instruments to manage and orient policy coordinated policies and should have innovative, demonstrative and associative characteristics.

The expected results, broadly speaking, are strengthened social capital, and the new institutional arrangements through creation and development of the CIAT, leading to the establishment of a more formalised and socially representative collegiate body, responsible for planning and implementation through effective coordination amongst the three spheres of government at municipal, state and federal levels and to more dynamic development of the territorial economy, involving new productive arrangements, innovation and diversification so as to add value to local products, respond to community need, and create employment, supplying local and subsequently external demand through linkages with expanding dynamic markets in other territories.

## **Annex 2. Institutional change in development planning in South Africa**

### **The reorganisation of local government**

In 2000, the Municipal Demarcation Board drastically reduced the number of local authorities from 830 to 284, vastly enlarging the size of municipalities and incorporating rural and urban areas within single administrative entities. Previously, areas defined as “rural” fell under tribal authorities, in the case of the former black homelands, or RSCs (Regional Service Councils?) in the case of white commercial farming areas. Following the end of apartheid, from 1995 to 2000 rural areas were administered by Rural Transitional Councils maintaining broadly similar boundaries to these separate administrative units. As a result of the reorganisation of local government in South Africa, sharp divergences in terms of race, wealth and privilege coexist within local government units.

The intention was to improve the efficiency and fiscal viability of the local state through economies of scale, and facilitate implementation of its dual mandate of economic growth and poverty reduction. The new municipalities were created specifically to mix different settlement types, to include natural linkages and dependencies and to link richer former white areas with poorer former black areas to promote redistribution and to recognise natural service linkages.

The new municipalities include 6 metropolitan areas, covering the major cities, and a two-tier structure of local government, with a hierarchical system of administrative and planning responsibilities, comprising 32 local municipalities, encompassing small towns and adjacent rural areas, and 46 District Municipalities, each grouping together around 10 Municipalities. These have primacy over local municipalities in planning and financial terms – some government departments such as Health are seeking to devolve functions to the district rather than municipal level - but the division of responsibilities between them is variable, subject to negotiation, and often contested (Khanya 2004). There are also major disparities in size amongst municipalities (they include an average of around 150,000 people, but adjacent municipalities can host from as few as 28,000 to as many as 800,000), and, despite amalgamation many are too small and struggling with capacity (Khanya 2004), a situation similar to that of the micro-municipalities encountered in various European and Latin American countries, such as Spain and Brazil.

### **Towards participatory and integrated rural planning**

At Municipal level, the Development Facilitation Act (Act 67 of 1995) required each municipality to establish a set of Land Development Objectives (LDOs). The idea was to try to overcome the restrictions of apartheid planning and begin the reconfiguring of racialised geography, through LDOs addressing service access issues, provision of bulk infrastructure, the integration of poor settlements into the area as a whole, and control of land development. The Act envisaged community participation in land use planning and development and the empowerment of disadvantaged communities. However the new LDOs were not widely developed, and the existing type of LDOs were originally drawn up by town planners and did not address objectives of racially integrated land use planning, or any type of land reform.

The Local Government Transition Act of 1996 went on to require all municipalities to formulate Integrated Development Plans (IDPs), a combination of an area development plan and a municipal business plan, incorporating the LDOs alongside integrated institutional, financial and communications plans, as a condition of access to RDP (Reconstruction and Development Programme) funds, and for which the Department for Land Affairs was intended to assume ultimate responsibility. However, in many cases such as in KwaZulu-Natal (Hart 2003), the process meant that municipalities had to engage in costly planning process in order to secure access to very limited funds, and that in practice, considerable funds had to be devoted to hiring private development planning consultants.

IDPs are meant to be strategic and implementation oriented, participatory, and to be used as the basis for the municipal budget. Although participation has been considerable in some cases, the IDP is still not a strategic planning process formulating efficient, effective and policy-framed solutions for priority issues, especially cross-sectoral and cross-cutting issues such as gender, land reform, the role of urban-rural dynamics and the future development of settlement patterns. Citing an appraisal conducted after the first round of IDPs, Khanya (2004) found that the IDP has become a 'municipality-owned process', which was 'consultative and implementation-oriented.

Many of South Africa's IDPs are generic, and not focussed on the unique characteristics and advantages of their particular areas. Some have sought to focus specifically on agriculture, land reform, and tourism, but in these sectors, as in others, municipalities have not had sufficient control over the resources of provincial and national departments to plan effectively. Overall the power of the IDPs to cause major shifts in urban-rural inequalities and patterns of growth has been severely limited (Khanya 2004). The process of setting Land Development Objectives, never properly resourced by government within IDPs, has been dropped, removing the scope for linking the local government planning process with participatory land use planning, and with centrally coordinated process of land reform and the work of the Department of Land Affairs.

In February 2001, government formally announced a major 10 year rural development initiative, the Integrated Sustainable Rural Development Programme (ISRDP) to bring together all departments and spheres of government, as well as traditional leaders, in an integrated approach. The programme would work to resolve the problems of regional planning, spatial development, cross-sectoral coordination and the lack of resources faced by local government in IDP processes in rural areas, but had no dedicated budget of its own. The intention was "to build immediately on existing government programmes that have the possibility of wide impact and replicability...[through] the well coordinated bottom-up approach in a rural economic context underpinned by a well thought-out local institutional base within and outside government" (IDT 2004).

The first phase of the ISRDP operated in 13 “nodal points” in 8 of South Africa’s 9 provinces, selected on the basis of high poverty, low infrastructure and limited capacity. The ISRDP would then better plan, sequence and coordinate existing budgets and programmes to respond to and resource the IDPs. However the ISRDP’s key challenges remain in the extent of power – and information – that local government can expect to have over resource allocation by national and provincial government, and the division of local planning responsibilities between municipal and district levels.

The ISRDP has yet to impact significantly on the MTEF process, which is essential if it is to align with the priorities of the IDPs. In contrast, in order to promote the programme’s visibility and credibility by delivering early results, a number of short term “anchor projects “ have been fast tracked, but these bear little relation to IDP priorities but more, again, to the supply led deliverables of sectoral departments. This risk reduces the role of the ISRDP to that of a delivery programme, rather than a facilitative one, helping government to do its work differently, and better (IDT 2004).

In an evaluation of the ISRDPs institutional arrangements and performance in its 13 nodes (Everatt 2004a) it appeared that many of the officials engaged had come to regard it as just another government programme with its own budget and deliverables. Cross sectoral coordination continues to be a major planning commitment, particularly at national and provincial programmes charged with supporting local development in the nodes, although coordination in the local government sphere seemed to be performing well. However the nodes introduce an additional, and potentially complicating spatial perspective to development planning: some cross municipal borders comprising two or more local municipalities, some are located in District Municipalities, and others in Local Municipalities. Moreover Provincial and national level participation and budgetary coordination with the IDP process was found to be variable and sometimes poor (Everatt 2004a). Key issues for the ISRDP to address thus include focussing and mobilising stakeholders functionally around priority activities at municipal level, aligning departmental programme planning with the IDPs, getting relevant government departments to focus on IDP priorities, and strengthening monitoring, evaluation and reporting and linking this to downward accountability (Everatt 2004b).

### **Local Economic Development (LED) in South Africa**

Since 1994 the promotion Local Economic Development (LED) has been a central facet of policy and planning for reconstruction in South Africa. In promoting investment, and bringing about local capital accumulation, Municipalities were also required to promote (LED) projects, which in turn were to be linked to poverty alleviation.

Government’s Guide to Municipalities on Economic Development and Local Government (1998) sets out the developmental role of local government in relation to the establishment of LDOs and IDPs, together with an overall philosophy involving mainstreaming of LED in municipal affairs, civic participation through democratically elected councils, investment promotion, business development and the meeting of basic needs. It notes that that the biggest single challenge is unemployment and presents figures for projected employment growth by sector up to 2020, based on an overall 6% growth rate (agricultural employment provides around 1 million or about 7% of jobs but is not expected to grow). The introduction of LED in South Africa predated the latest reorganisation of local government, and the Guide’s emphasis was primarily on urban economic development, although it noted that land ownership is a key factor in rural economies, and expressed the hope that the land reform programme will help enhance rural livelihoods, and stating that municipalities could help local communities apply for land acquisition grants, acquire

land to create municipal commonage and support rural enterprise through credit information and training.

A recent study of the progress of the LED programme in South Africa (Atkinson and Ingle, undated) finds that the fund, which is aimed at developing the role of municipalities in local economic development, has performed poorly due to several areas of confusion, regarding the purpose of LED, the relative focus on existing enterprises and disadvantaged groups and the role of municipal management vis-à-vis that of external groups whose influence predominated.

Khanya (2004) report that support for LED has been fragmented between different spheres of government and “in practice often equated with projects rather than an integrated approach that can be sustained and scaled up which supports economic processes”. Moreover, planning was dominated by activities geared to achieving high growth rates in the formal economy.

A study by the Department for Constitutional Affairs, quoted by Hart (2002), found that in most cases Municipalities did not understand how economic development and poverty reduction could be connected in conceptual or in practical terms.