REDISTRIBUTIVE LAND REFORM AND POVERTY REDUCTION IN SOUTH AFRICA

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A working paper for the research project on ‘Livelihoods after Land Reform’
1. **Introduction**

This is a discussion paper that attempts to situate the debate on land reform and poverty in South Africa within its historical, socio-economic and political context. It begins with a brief historical sketch of land dispossession in South Africa and summarises some key indicators of poverty since the transition to democracy in 1994. This is followed by a discussion of the links between land reform and poverty alleviation within the international and South African literature, arguing that while these links are frequently asserted, the theoretical basis is rarely articulated in any detail. Particular attention is paid to the official discourse around the South African land reform programme, showing the shift from an emphasis on poverty reduction in the years immediately after 1994 to economic growth after 1999. Next are considered the political and ideological factors shaping land reform policy since 1994, with three main tendencies being identified, referred to as modernist-conservative, neo-liberal and radical-populist. The influence of these tendencies is discussed with reference to four main aspects elements of the land reform programme – land acquisition, beneficiary targeting, farm planning and post-settlement support – leading to the conclusion that current policy is a messy compromise between these tendencies, with many unintended (and unacknowledged) outcomes. This is followed by a brief discussion of the achievements of land reform to date, highlighting the very limited impact it has had on poverty. Finally, some recently proposals for new directions in policy are briefly considered.

2. **Historical Background**

The extent of land dispossession of the indigenous population in South Africa, by Dutch and British settlers, was greater than any other country in Africa, and persisted for an exceptionally long time. European settlement began around the Cape of Good Hope in the 1650s and progressed northwards and eastwards over a period of three hundred years. By the twentieth century, most of the county, including most of the best agricultural land, was reserved for the minority white settler population, with the African majority confined to just 13% of the territory, the ‘native reserves’, later known as African Homelands or Bantustans (Thomson 1995: 109). Demands for racial equality were violently resisted by the white-minority government up to 1990, with the result that South Africa made the transition to democratic, non-racial government only in 1994.
At the end of Apartheid, approximately 82 million hectares of commercial farmland (86% of total agricultural land, or 68% of the total surface area) was in the hands of the white minority (10.9% of the population), and concentrated in the hands of approximately 60,000 owners (Levin and Weiner 1991: 92). Over thirteen million black people, the majority of them poverty-stricken, remained crowded into the former homelands, where rights to land were generally unclear or contested and the system of land administration was in disarray (Hendricks 1990; Cousins 1996; Lahiff 2000). These areas were characterised by extremely low per capita incomes and high rates of infant mortality, malnutrition and illiteracy relative to the rest of the country. On privately-owned (white) farms, millions of workers and their families faced tenure insecurity and lack of basic facilities. Today, South Africa has one of the most unequal distributions of income in the world, and income and quality of life are strongly correlated with race, location and gender (May 2000: 2).

The transition to democracy in South Africa (1990-1994) occurred under very different circumstances to those of its neighbours, through a negotiated settlement rather than an all-out war of liberation. The political compromise that ensued left much of the power and wealth of the white minority, including land ownership, more or less intact (Marais 1998). The international political and economic climate had also shifted decisively, and the old certainties that had informed both the nationalist and the socialist wings of the liberation movement, led by the African National Congress (ANC), were fading fast. The new Constitution created the basis for a liberal democracy, albeit with an emphasis on socio-economic rights and a clear mandate on the state to redress the inequalities of the past. The Constitutional clause on property guaranteed the rights of existing owners but also granted specific rights of redress to victims of past dispossession and set the legal basis for a potentially far-reaching land reform programme.

South African agriculture is highly dualistic in nature, where a highly-developed and generally large-scale commercial sector, controlled largely by whites, on privately-owned land, co-exists with large numbers of small-scale and mainly subsistence-oriented black farms on communally-held land. The white-controlled

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1 Apartheid is an Afrikaans (Dutch) word meaning ‘apartness’, or separation, and implies strict racial segregation in all areas of life. It was the official ideology of the white minority regime that held state power from 1948 to 1994. With the transition to democracy in 1994, the ten ethnically-based African ‘homelands’ were reincorporated into a single national territory.

2 In 1996, the South African Census reported a total population of 40.5 million, broken down in the following terms: African = 76.7%; White = 10.9%; Coloured (mixed race) = 8.9%; Indian/Asian = 2.6%; Unspecified/Other = 0.9%. Source: Statistics South Africa.

3 The African National Congress was founded in 1912. During the struggle against apartheid (1948-1994) it contained both nationalist and socialist factions, and has a long-standing alliance with the South African Communist Party and the Congress of South African Trade Unions. The ANC was victorious in the general elections of 1994 (when it formed a multi-party Government of National Unity under the leadership of Nelson Mandela) and again in 1999 and 2004 (under the leadership of Thabo Mbeki).
commercial sector generates substantial employment\textsuperscript{4} and export earnings, but contributes relatively little to Gross Domestic Product in what is today a highly urbanised and industrialised economy (Vink and Kirsten 2003). While close to half of the black (African) population continue to reside in rural areas, most are engaged in agriculture on a very small scale, if at all, and depend largely on non-agricultural activities, including migration to jobs in the urban areas, local wage employment and welfare grants for their livelihood. South Africa had a thriving African peasant sector in the early twentieth century, but this was systematically destroyed by the white settler regime on behalf of mine-owners demanding cheap labour and white farmers demanding access to both land and cheap labour (Bundy 1979).

Any discussion of land reform in South Africa is hampered by the lack of reliable estimates of land demand among the historically disadvantaged population in general, or more specific estimates of the demand for land for various purposes (e.g. grazing, cropping, residential) or in different areas (e.g. per province). One such estimate in the mid-1990s found that, among black rural households, 67.7% considered themselves in need of land, with provincial figures ranging from 40% in the Northern Cape and North West to 78.3% in KwaZulu-Natal. The amount of land required was typically very little: “48% of those wanting farmland want one hectare or less” (Marcus et al 1996: 16). Analysis of trends in land reform has also been hampered by a lack of reliable data on the performance of the programme and its impact on either the agricultural economy or the livelihoods of the intended beneficiaries (van den Brink et al 2006: 28). These gaps in official Monitoring and Evaluation (M&E) data are discussed in more detail below.

3. \textit{Poverty and Poverty Debates in South Africa}

Widespread and enduring poverty is a central feature of South African life. There is a lively political and academic debate around the causes of poverty, its nature and extent, and ways of alleviating it (May 2000; Seekings and Nattrass 2005; du Toit 2005; Bhorat and Kanbur 2006). While various positions are advanced, there is broad agreement that poverty exists on a vast scale, that it is closely correlated with race and that, by many indicators, the situation has deteriorated since the transition to democracy.

There is also broad agreement that South Africa is not, by international standards, a particularly poor country – it is typically described as a middle-income or upper-middle income country on the basis of per capita GDP – but that it is an exceptionally unequal one, perhaps the most unequal in the world according to some commentators:.

\textsuperscript{4} Agriculture accounted for 10% of formal employment in 2002. Its share of GDP fell from 9.12% in 1965 to just 3.2% in 2002 (Vink and Kirsten 2003)
‘South Africa is an upper-middle-income country .... Despite this relative wealth, the experience of the majority of South African households is either one of outright poverty, or of continued vulnerability to becoming poor. Furthermore, the distribution of income and wealth in South Africa may be the most unequal in the world.’ (May 2000: 2).

According to the HSRC (2004) the proportion of people living in poverty in South Africa in 2001 was 57%, unchanged from 1996, but that the extent of poverty (i.e. how far people are below the poverty income line) grew over this period:

“The poverty gap has grown faster than the economy indicating that poor households have not shared in the benefits of economic growth. In 1996 the total poverty gap [the required annual income transfer to bring all households out of poverty] was equivalent to 6.7% of gross domestic product (GDP); by 2001 it had risen to 8.3%.

This rise in inequality is captured in South Africa’s Gini coefficient for income, which rose from 0.69 in 1996 to 0.77 in 2001, with the greatest degree of inequality being found within the black (African) population group: ‘the overall driver of income inequality in post-Apartheid South Africa continues to be the rising inequality amongst African households’ (HSRC 2004). Poverty is closely correlated with race and gender, and is concentrated in rural areas. Limpopo and the Eastern Cape provinces have the highest proportion of poor people, with 77% and 72% of their populations living below the poverty income line, respectively, in 2001. The Western Cape has the lowest proportion in poverty, at 32% of the population, followed by Gauteng, at 42% (HSRC 2004). Bhorat and Kanbur (2006: 4) point out, however, that while there are higher rates of poverty in rural than in urban areas, the proportion of the total poor who reside in rural areas is declining, from 62% in 1996 to 56% in 2001: ‘This suggests a rapid process of urban migration that could in the future reshape the spatial nature of poverty in South Africa’. Female-headed households also tend to be disproportionately poor, which Woolard and Leibbrandt (1999) attribute to a combination of factors: ‘female-headed households are more likely to be in the rural areas where poverty is concentrated, female-headed households tend to have fewer adults of working age, female unemployment rates are higher and the wage gap between male and female earnings persists’. Aliber (2001: 29) reports that, in 1999, 42% of all African households (i.e. 2.7 million) were female-headed, and that roughly 28% of these households were ‘chronically poor’.

While South Africa is often praised for its economic turnaround in the years since apartheid, and positive macro-economic performance - as indicated by growth in GDP⁵, modest inflation, a falling proportion of GDP in taxation, falling budget deficit etc. - poverty, inequality and unemployment remain stubbornly impervious to policy prescriptions. For its critics, the connection between state economic

⁵ But with only marginal increase in GDP per capita (i.e. economic growth is only barely keeping up with population growth).
policy and the perpetuation of poverty and inequality is no accident, but a direct and foreseeable consequence of particular policy choices that have privileged the more ‘advanced’ components of the economy at the expense of the mass of the poor. Terreblanche (2003: 422) describes this duality as ‘enclave capitalism’, a relatively new politico-economic order that differs from the colonial and apartheid era in that it is no longer based on systematic exploitation of the black population, but rather on ‘systematic exclusion and systematic neglect’.

“…the economic system has been changed over the past 30 years from one of colonial and racial capitalism to a neo-liberal, first world, capitalist enclave that is disengaging itself from a large part of the black labour force…Although the black elite – both the bourgeoisie and petit bourgeoisie - has been adopted as a junior partner, the new system has retained a racial character; it is still a white-controlled enclave in a sea of black poverty”. (Terreblanche 2003: 422)

This transition has, as Terreblanche observes, coincided with the introduction of a system of representative democracy but has not been fundamentally altered by it.

In a similar vein, Seekings and Nattrass (2005: 1) use the concept of a ‘distributional regime’ to analyse economic policy both during and after apartheid. Despite elements of redistribution and social protection since 1994, such as welfare grants and collective bargaining agreements, they argue that the economic system that was created under apartheid continues to redistribute wealth from poor to rich remains largely intact, thereby perpetuating extreme inequality and poverty. Under democratic government these policies have largely continued, albeit accompanied by de-racialisation of the upper and middle strata and major increases in spending on social services and infrastructure. Continuity is most evident in the persistently high level of unemployment (arguably more than one-third of the labour force) and extremely low wages at the bottom of the ladder. This combination of high unemployment – at rates higher than those experienced under apartheid - and low wages have served to increase economic inequality in the democratic era, particularly within the black population, as well as increasing the rate of absolute poverty (Seekings and Nattrass 2005: 340).

In a review of poverty and policy in South Africa in the first ten years of democracy, Bhorat and Kanbur (2006: 12-13) identify five main trends, which are largely hostile to the poor, albeit with some ameliorative effects:

- An increase in both absolute and relative income poverty
- An increase in income inequality
- Increased unemployment rates (as growth in the labour force outstrips growth in employment)
- A large fiscal resource shift that has engendered wider access to assets and basic services for poor households
‘Tepid’ economic growth rates, which have failed to keep pace with population growth.

“The first ten years have seen rising unemployment, rising income poverty and rising income inequality, all in the context of a lacklustre performance in economic growth” (Bhorat and Kanbur 2006: 1).

Similar conclusions on the limited impact of policies on poverty alleviation since 1994 are reached in a recent study by the OECD, with particular reference to rural poverty and the potential of the agricultural sector (see Box).

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<tr>
<th>Policies to increase participation in the rural economy and diversify incomes are key to addressing rural poverty</th>
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<td>Rural poverty in South Africa appears to differ from other countries in three ways:</td>
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<td>• among the rural poor, income generated directly from agricultural activities and food consumed from own farm production are minor components of household resources (estimated at 10% to 20% of the total);</td>
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<td>• many households continuously rotate between rural and urban base;</td>
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<td>• and rural society is closely linked to the social and health problems of urban areas.</td>
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<td>The reorientation of safety net and social programmes in the late 1990s which addressed poverty issues in rural areas through general social security schemes was a move in the right direction. However, the long-term solution requires involving a greater part of the rural poor in economic activities generating sufficient income. While recognising the important role of agricultural development in addressing poverty and inequalities, it should also be clear that the potential of agriculture and agricultural (land) reform itself to reduce poverty is limited. The current and prospective role of agriculture in the economy and South Africa’s relatively scarce natural resources (arable land, water) suggest that only a limited number of people may secure fair living standards from agriculture only. The main potential to reduce rural poverty and inequity lies in the development of overall frameworks providing social security, education and training as well as health care, and in developing adequate infrastructures in rural areas. There is a need to examine how recent and ongoing sectoral and economy-wide policies contribute to poverty reduction by integrating poor population in broader economic activities.</td>
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Redistribution – of assets and other forms of wealth – has been a prominent feature of the economic and political debate in South Africa both before and after 1994, captured in the competing slogans of ‘growth through redistribution’ and ‘redistribution through growth’ (see May 2000 for a summary of these debates). Redistribution was at the heart of the 1955 Freedom Charter, described by Seekings and Nattrass (2005) as the closest the ANC had to an economic policy
prior to 1990, and the Reconstruction and Development Programme (RDP), which was effectively the manifesto on which the ANC came to power in 1994 (ANC 1994). Debates about the relationship between redistribution and growth, and the means by which redistribution should be brought about, have not abated, despite the ANC’s decisive turn in favour of growth (now seen as a precondition for redistribution) from around 1996 (Marais 1998). Nonetheless, important forms of redistribution have occurred. Notable amongst these are significant increase in government spending on infrastructure, welfare and social services aimed at the poorest sections of the population, significant increases in earnings for those in formal employment, and opening up of opportunities for share-holding and business opportunities in the corporate world for previously disadvantaged people through the BEE programme. While this has led to a substantial de-racialisation of the upper and middle socio-economic classes, it has had remarkably little impact on overall income inequality or poverty.

Redistribution of assets – notably land – has a special place within the discourse on redistribution, both in South Africa and internationally. Land redistribution (including the associated processes of restitution and tenure reform) has been an important component of policy since 1994 and features prominently in the 1996 Constitution. Yet, an explicit link between land reform and poverty is difficult to find in official policy pronouncements, especially since the change from the Mandela to the Mbeki presidency in 1999. Indeed, as will be shown in further sections of this paper, the arguments for land reform in South Africa have been dominated since the outset by a discourse of restorative justice which seeks to return land to its previous owners and redress racial imbalance in landholding, with relatively little attention to the economic dimensions of land use, in general, and the links between land reform and poverty alleviation (or economic growth) in particular.6

The underperformance of the South African land reform redistribution programme is the main focus on this paper7. First, however, it is important to consider the theoretical arguments for land reform and the ways in which redistribution is linked to poverty alleviation, both in South Africa and internationally.

4. Arguments for land redistribution as a poverty alleviation strategy

At a very general level, land reform, like most politico-economic policies, can be said to be driven by considerations of either efficiency or equity, and sometimes both. Ideally, both of these objectives would coincide, but this is rarely the case and so degrees of tensions exist between them. Efficiency-based arguments for

6 Notable exceptions are the volumes edited by Lipton et al (1996) and Van Zyl et al (1996) but, as will be argued below, both have suffered from an association with market-based approaches, particularly to land acquisition.

land reform are typically driven by notions of economic transformation and are associated politically with well-established regimes whose aspirations go beyond the agrarian sector - this typically implies ‘taking on’ landowners or producers in the agricultural sector, be they feudalistic landlords or peasants: Prussia and Ireland in the nineteenth century come to mind, as do the communist examples of China and the Soviet Union in the twentieth, and the capitalist cases of Taiwan and South Korea. Efficiency arguments are rarely concerned with equity within the agrarian economy (although they may contain an element of forced egalitarianism), as their promoters typically have their sights on broader objectives, e.g. extracting food and value for the urban-industrial economy or enhancing the power of the state.

Equity arguments are driven more by ideas of social transformation – the emancipation or upliftment of disadvantaged groups. Politically they tend to be associated with agrarian movements of the disadvantaged and regimes which seek to strengthen their popular base or, in a reformist mode, seek to achieve social and political stability. Mexico in 1910, Bihar and Kerala since the 1950s, Nicaragua in the 1970s, Zimbabwe in the 1980s and Bolivia in the twenty-first century come to mind. Equity arguments do not depend on claims to greater efficiency. They promise a transfer of power and wealth from one class to another rather than to grow the economy, although efficiency arguments are frequently mobilised to add strength to the equity case. Communist regimes have often included an element of assault on the rural masses (the peasantry). Only since the mid-1970s have efforts been made to add an equity argument to an efficiency argument (via the inverse relationship), particularly in the work of Griffin (1974) and Lipton (1976) although this does have its antecedents in the early twentieth century (see Byres 2004).

Redistribution is one version of land and agrarian reform, but it has not been the most common historically. Many of the major land reforms of the world have been of the ‘land to the tiller’ variety, affecting one dimension of agrarian structure - the ownership of property - but leaving others relatively intact, as former tenants or peasants end up cultivating the same, or somewhat expanded, plots as before. What has changed is the relationship of the producers to the land and to other classes, with enhanced opportunities for accumulation. In some countries, large units of production have been broken up into smaller units (e.g. Zimbabwe Model A in the 1980s and 1990s, parts of South and Central America from the 1950s to the 1980s), to allow small-scale producers and the landless to expand their production. In other cases, newly colonised land has been made available to settlers or unused land on large estates is redistributed to the landless (who typically are farm labourers on the same or nearby estates) (e.g. in Brazil). Where large, productive farms have been transferred to groups of workers or peasants, without subdivision into individual holdings, this has tended to include a heavy state presence – in effect, turning them into state farms (e.g. much of Eastern Europe in the 1950s, Cuba in the 1960s and Mozambique in the 1970s). In other cases (i.e. the Soviet Union in the 1930, China in the 1960s) land reform
meant individual peasant producers being collectivised, again usually with heavy state involvement. Only in very exceptional cases – such as parts of eastern Europe in the wake of the First World War, and Spain during the civil war (1936-39) - have large productive farms been turned into worker or peasant collectives with little or no involvement by the state, and these have rarely lasted for long after the exceptional conditions that brought them about have passed. The transfer of large productive farms to new owners who have no recent connection to the land, with minimal involvement by the state beyond the time of transfer, was virtually unknown before the 1990s. This has since occurred to some extent in Eastern Europe and the former Soviet Union (and under A2 fast track in Zimbabwe), but usually in the form of ‘accumulation from above’ (i.e. by entrepreneurs with off-farm business interests), making it quite different from most historical land reforms in the absence of any claims to equality or poverty alleviation. ‘Fast-track’ in Zimbabwe since 2000 has greatly accelerated the movement of ‘outsiders’ onto large commercial farms, but it is significant that production has been almost entirely transformed into ‘family’ farms, rather than collectives.\(^8\) The handover of large productive farms to groups of (generally) poor people, with little recent connection to the land in question, in a market-oriented economy with minimal post-transfer involvement by the state, as has happened in South Africa since 1994, is possibly unique in the world. The South African model is thus highly experimental, and the available evidence would suggest that it is failing badly. Lack of clarity around the aims of land reform, however, and a lack of reliable information about its performance, make it particularly difficult to evaluate. This, in turn, can be traced back to contradictions at the heart of land reform policy in South Africa – that extends to the relationship, if any, to poverty alleviation – which the following sections attempts to unpack.

\(^8\) Few would suggest that this has led to efficiency gains under the particular circumstances prevailing in Zimbabwe today, but this has not been an explicit claim of the fast-track process and is a separate argument. The point here is that the recent Zimbabwean case stands out as a rare example of redistribution of large, well-developed (capitalist) farms to (largely) poor people with little recent connection to the particular farm. The key factors distinguishing it from the South African case are the method of land acquisition and, most critically, the subdivision of land for household use (i.e. the restructuring of production). Other dimensions – such as beneficiary selection and the weakness of post-settlement support – are not so easily distinguishable between the two countries. It is notable that references by South African politicians and landless organisations to ‘learning the lessons of Zimbabwe’ relate almost entirely to methods of land acquisition and almost never to models of land use.
4.1 **International arguments**

It is frequently observed, especially by authors associated with the World Bank, that economies with a higher equality of income and asset ownership tend to experience higher levels of growth. Drawing on a wide international literature, May (2000: 2) highlights the positive correlation between a more equal distribution of income, wealth and economic growth, and between poverty, inequality and political instability. Deininger (2003: 18) applies this argument to land distribution, in particular:

“... countries that had a more egalitarian distribution of land tended to be characterised by higher levels of economic growth”.

While this statistical correlation may have many causes, it is commonly linked to a second argument, that – all things being equal – smaller farms are more productive than large ones (the inverse relationship between size and productivity), especially when the smaller farms are ‘family farms’ (i.e. are owned and occupied by a single family, and that rely predominantly on family, rather than hired, labour):

“A stylized fact, confirmed by a large literature, is that owner-operated smallholder farms are desirable from both an equity and an efficiency perspective.” (Deininger and Binswanger 1999: 249)

It should be noted, however, that the theory of the inverse relationship is hotly contested by many authors (see, for example, Byres 2004).

Van den Brink et al (2006: 19) summarise the argument for the inverse relationship, stressing the importance of family labour and direct management of production by the land holder:

'Small' farmers operate their farms using mainly family labour, and employ capital and machinery that they can afford or hire in rental markets. This is the main cause of the superior efficiency of family farms: the owner of the farm lives on the farm, manages the farm herself, and is aided by other family members.\(^9\)

Thus, arguments of both equity and efficiency are mobilized in support of programmes of land reform that will lead to greater equality in landholding through the creation of more and smaller units of production. This in turn, it is argued, will range of positive outcomes, at multiple levels, including economic growth and poverty alleviation.

\(^9\) Nothing could be further from a description of the typical South African land reform project, where people don’t live on the farm, manage the farm as part of a group, exclude family labour and depend on group production instead.
Many different positions are put forward around this theme, often with subtle variations between them. It is hard to argue with the position put forward by Deininger (2003: xi) on behalf of the World Bank:

> Where extreme inequality in land distribution and underutilisation of vast tracts of productive land co-exist with deep rural poverty, a case for redistributive measures to increase access to land by the poor can be made, both politically and from an economic perspective. ... To ensure success of the reform and of productive use of the land, land reform needs to be combined with other programs at the government’s disposal. Access to nonland assets and working capital and a conducive policy environment are essential.10

A similar argument is made by IFAD:

> “Well-targeted policies can reduce poverty by increasing the opportunities for poor people to gain and maintain secure access to productive assets, especially land, water and other natural resources, together with social assets such as extension services, education and basic health care. The nature of their tenure over productive assets and related factor markets has a direct bearing on the extent of lasting benefit and opportunity for the rural poor to improve their livelihoods.” (IFAD 2001: 71)

For IFAD, the arguments for land reform as a means of poverty alleviation are complex, but with appropriate policy, it is argued, land redistribution tends to raise both employment and income:

- If the poor operate land, they can combine it with labour, skills, management and purchased inputs, eating or selling the product and reaping a higher share of net income, even if output does not change.
- Furthermore, output often rises: yield and total factor productivity tend to be greater on smaller and more equal operated farms.
- Low-income people with secure land access usually find it easier to graze animals.
- Land in smallholdings tends to be managed more labour-intensively, raising demand for labour and increasing the wages and/or employment of low-income workers, even if they do not control any land.
- All these forms of control of land and hence income, if more equal, raise local spending on rural non-farm products, and hence employment in it.

(IFAD 2001: 75)

10 Similar sentiments are expressed in the World Development Report of 2006 (World Bank 2006: 162): Land is a key asset for poor people. Owning it provides a means of livelihood to many, facilitates access to credit markets, has an insurance value, determines influence in local politics, permits participation in social networks, and influences intrahousehold dynamics. That is why inequality in the ownership of land has such far-reaching consequences for the distribution of well-being and the organization of society for generations to come.
DFID (2003: 5) takes a similar upbeat line, arguing that land policy can contribute
to eradicating poverty in three ways:

- **Sustainable economic growth** – Whether it is for agriculture, housing, industry
  or services, development depends on making better use of land and on
  changing the way it is used. Land policy and land institutions which enable
  this change and ensure its good management are critical. Sustained growth
  needs long-term investment in the land. Farmers, home-owners and
  businessmen will not make such investments, if they are not confident that the
  land is theirs for the long-term. Unless they have clear property rights in land,
  they cannot use it as collateral to raise finance. Unless they can buy, sell or
  rent it at a fair price, they cannot change the way they work as their
  circumstances change.

- **Greater equity** – Poor people need land if they are to contribute to and benefit
  from economic growth. A more equitable distribution of land gives higher
  incomes to the poor. It also promotes higher productivity and rates of growth.

- **Security of tenure** – For many poor people land, together with the investments
  they make in it, is their largest single capital asset. Society’s protection of
  their ownership in this asset is a critical part of their livelihoods. Selling or
  leasing out their land is an important safety net for poor people; for example,
  by giving them an income even when they are too sick to use it for
  themselves. Their right to do this at a fair price also needs society’s support.

A more radical (or populist) position stresses the direct benefits of redistribution
to the poor and landless, rather than the contribution to the broader economy. A
 typical example is provided by Borras (2006: 4):

> “Effective control over productive resources, especially land and water, by
> the rural poor is crucial to their autonomy and capacity to construct a rural
> livelihood and to overcome poverty. This is largely because in many
> countries today a significant portion of the income of the rural poor still
> comes from farming, despite far-reaching livelihood diversification
> processes that have occurred in different places over time. As a result,
> lack of control over land and water resources is strongly related to poverty
> and inequality.”

Negrão (2002) adopts a similar position in the African context: agricultural growth
is essential, because no other avenue will reduce the poverty of the rural
masses, and growth must be in the hands of smallholders if it is to benefit them:

> Today there is consensus that the reduction of poverty or the increase of
> wealth and its distribution in Africa must necessarily be through the growth
> of agricultural production; this will necessitate access to the land and to
> education by the poor. Why? For the simple reason that one does not
> foresee that the structural transformation of the economy and the resulting
transformation of the peasant class into workers or artisans in the urban service sectors will happen. At the same time, one also does not foresee that there will be major investment in large-scale agriculture, which could absorb the hundreds of millions of peasants of the African Continent as rural workers. With the current rate of increase in the population, neither will there be employment for all, nor will there be a tendency for a significant increase in the average salary. Thus, land for all the rural poor becomes an indispensable condition for food security; it is the only valid asset for a sustainable increase in income and for the attainment of the much-desired social stability.

Even Deininger and Binswanger (1999: 247), stalwarts of the neo-liberal position and the inverse relationship, appear to accept what might be seen as a more political (or equity) argument about the unique role of land as an economic resource for the rural poor and marginalised:

"In the rural areas of most developing countries, land is not only the primary means for generating a livelihood but often the main vehicle for investing, accumulating wealth, and transferring it between generations. Thus the ways in which access to land is regulated, property rights are defined, and ownership conflicts are resolved has broad implications beyond the sphere of agricultural production. These regulations, rights, and procedures affect not only the ability of households to produce for their subsistence and for the market but also their social and economic status (and often their collective identity), their incentive to work, their willingness to use the land sustainably, and their ability to self-insure or to obtain access to financial markets.

The empirical evidence for ‘success’ in land reform, however, is quite limited, and drawn from a small number of possibly exceptional countries. As the most recent World Development Report (2006: p163) puts it:

“Successful land reforms—such as in Japan, the Republic of Korea, and Taiwan, China—are rare and often associated with exceptional events, such as war or political upheaval. Indeed, the history of land reforms is littered with partial successes and failures.”

Evidence for a direct link between land reform and widespread poverty alleviation is particularly limited. In the better-know cases, such as the east Asian examples cited above, land reform has happened as part of much wider economic change, particularly rapid urbanization and industrialization – creating strong demand for both labour and commodities. Prominent also has been the direct involvement of the state in the economy, both in the agricultural sector and more broadly. Moreover, the commonly cited ‘success stories’ are virtually all of the ‘land to the tiller’ model (i.e. they involved strong continuity of production, and relatively little redistribution of land to ‘new’ producers) and, most importantly, the model of
production being promoted (relatively small-scale ‘family’ farming in all cases) was not only enforced by the state, but all other major forms of production (e.g. large capital-intensive farms) were either wiped out or never existed in the first place. Thus the desired model of landholding and agricultural production not only had the full support of the state, it was at the centre of economic development of the countries concerned, and did not have another model of agricultural production to compete with domestically while being heavily protected from international competition.

By contrast, Chimhowu (2006: 38-40) argues that land redistribution in Southern Africa has been driven by largely political factors and is based on untested assumptions about the link between land reform and poverty reductions, with the result that households may even end up more poor, more vulnerable and more dependent that the were before.

For redistributive land reforms, the tendency in the region has been for political processes to move faster and demand greater results than can be realistically delivered by a generally weak bureaucratic capacity. The result is often a politically correct policy decision implemented without clear thinking about how land transforms into secure livelihoods, or even what role land can play in the lives of resettled beneficiaries. Such process failures often result in assetting that leaves households vulnerable and sometimes in increasing poverty and dependent on the state and donors for sustenance ever extended periods of time …. For a more poverty-focused land reform program it is crucial to get the initial programme theory ‘right’. What has tended to happen is that ‘land’ is bestowed mythical powers to reduce poverty, without careful articulation and follow up of how this can be achieved.

4.2 **Links between poverty and land reform within South African policy debates**

The debate around land reform in South Africa, prior to and following the transition to democracy, has included a variety of demands and objectives, prominent amongst them being the return of land to those who were unfairly dispossessed, the redressing of the extreme racial imbalance in landholding and the alleviation of poverty in rural areas. Official government policy since 1994 has combined all three objectives, but there has been a discernable shift in emphasis over the years, from meeting the basic needs of the very poor to promoting black commercial farmers.
The RDP of 1994 offered a radical vision of land reform and, although repeated reference was made to poverty in South Africa, the links between the two were weak.\textsuperscript{11} The clearest statement on the need for land reform was in section 2.4.2:

\begin{quote}
A national land reform programme is the central and driving force of a programme of rural development. Such a programme aims to address effectively the injustices of forced removals and the historical denial of access to land. It aims to ensure security of tenure for rural dwellers. And in implementing the national land reform programme, and through the provision of support services, the democratic government will build the economy by generating large-scale employment, increasing rural incomes and eliminating overcrowding.
\end{quote}

An ambitious aim was then set out in section 2.4.14:

\begin{quote}
The programme must aim to redistribute 30 per cent of agricultural land within the first five years of the programme.
\end{quote}

The White Paper on South African Land Policy, published by the Department of Land Affairs in 1997, built on the RDP and an extensive programme of public consultation and commissioned research, and provides the most detailed official elaboration of the economic arguments for land reform and the link to poverty alleviation. Most references to poverty in the White Paper are little more than unsupported assertions – such as that ‘Land reform can make a significant contribution to the alleviation of poverty and injustice caused by past apartheid policies …’ (p.14) - but a more detailed case is set out under the heading Economic arguments for land reform (Section 2.5.3). From a poverty point of view, the most important arguments presented deal with household food security, expansion of smallholder agriculture and job creation (See box: some detail omitted, emphasis added).

\begin{boxed}{2.5.3 Economic arguments for land reform}

\textit{Major cost savings resulting from a more rational use of urban land} …

\textit{More households will be able to access sufficient food on a consistent basis:} The absence of household-level food security has devastating consequences, most notably on the physical and mental development of children. Access to productive land will provide the opportunity for putting more food on the table and providing cash for the purchase of food items.

\textit{Opportunities for Small Scale Production:} Comparative international research notes

\end{boxed}

\textsuperscript{11} For example, under the heading ‘Why do we need an RDP, was the following (Section 1.2.9): “No political democracy can survive and flourish if the mass of our people remain in poverty, without land, without tangible prospects for a better life. Attacking poverty and deprivation must therefore be the first priority of a democratic government.”
that smaller sized agricultural units are often farmed more intensively, and are more labour absorbing. There are over a hundred thousand small scale and subsistence farmers in South Africa who could be assisted by the land redistribution programme to expand their land resource base through purchase or lease. The land reform programme thus offers the potential for more intensive irrigated farming, for contract farming in important sectors of the agricultural economy such as cotton, timber and sugar, and the potential to intensify agricultural production in areas of high agricultural potential.

Land reform can make a major contribution towards addressing unemployment, particularly in rural areas and small towns: In rural areas, the rate of unemployment ranges from 40% among poor households to 58% among the poorest. This situation could deteriorate further as the number of young people entering the work force increases by over 2% every year. (Source: Rural Development Strategy of the Government of National Unity, October 1995.) Because the direct and indirect costs of creating jobs in urban areas are very high, innovative strategies are needed to help rural people find work where they live. It is generally accepted that per unit investment in agriculture and services has the potential to create many livelihoods. In international experience, an area of high potential arable farm land normally produces considerably more livelihoods, if divided into small family-operated farms. This also applies to off-farm employment through the multiplier effect on the local economy. Therefore, redistributive land reform and the provision of support services is central to the government's employment strategy and to reducing the mounting cost of the welfare budget.

Land reform will support business and entrepreneurial culture ....

Land reform can have important favourable environmental impacts in both urban and rural areas ...

ANC (1994): Reconstruction and Development Programme

The vision underpinning the White Paper has, however, been gradually eroded over the years, or never put into full effect, and appears to have little bearing on the current version of land reform policy. Provision of small plots of land for food production has never featured prominently, and is actively discouraged by the Department of Land Affairs, the Commission for Restitution of Land Rights and the provincial Departments of Agriculture (as argued below). The expansion of smallholder agriculture has occurred to a limited extent, but most would-be smallholders have mostly found themselves part of unwieldy groups attempting to operate large farming units. As far as can be deduced, relatively little high value land has been transferred to date. As regards employment, the limited empirical evidence available suggest that most land reform projects have failed to generate even self-employment for the direct participants and the overall contribution in terms of on-farm and off-farm employment is negligible.

The shift in emphasis within policy has often been subtle and unacknowledged, but some sense of it can be gained from official documents and Ministerial
speeches. Most noticeable is the virtual disappearance of any discussion of poverty alleviation (other than in the most general terms) and especially any reference to food production on small plots for the very poor. The greatest shift in official thinking was demonstrated with the adoption of LRAD in 2001, which marked the effective end of SLAG and the very large groups of beneficiaries it generated, and a new emphasis on ‘commercial’ farming (see Box).

Objectives of the Agricultural Development sub-programme

The agreed objectives of the Agricultural Development sub-programme as reflected in the framework document are to:

- increase access to agricultural land by black people (Africans, Coloureds, and Indians) and to contribute to the redistribution of approximately 30% of the country’s commercial agricultural land (i.e. formerly ‘white commercial farmland’) over the duration of the programme
- contribute to relieving the congestion in over-crowded former homeland areas
- improve nutrition and incomes of the rural poor who want to farm on any scale
- overcome the legacy of past racial and gender discrimination in ownership of farmland
- facilitate structural change over the long term by assisting black people who want to establish small and medium-sized farms stimulate growth from agriculture create stronger linkages between farm and off-farm income-generating activities
- expand opportunities for promising young people who stay in rural areas
- empower beneficiaries to improve their economic and social wellbeing
- enable those presently accessing agricultural land in communal areas to make better productive use of their land
- promote environmental sustainability of land and other natural resources.


It is important to bear in mind that LRAD was introduced specifically to facilitate better-off applicants – the so-called ‘emergent farmers’ - who did not qualify under the income ceiling of R1,500 per month for SLAG applicants, and to provide much increased grants (up from a maximum of R15,000 per household to R100,000 per individual) (Jacobs et al 2003). Although LRAD includes an object to ‘improve nutrition and incomes of the rural poor who want to farm on any scale’, no practical measures were put in place to facilitate this. The suggestion

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12 See, for example, Speech by Minister Didiza at Launch of LRAD Sub-Programme in Nkomazi, Mpumalanga. (Ministry of Agriculture and Land Affairs 13 August 2001); Presentation to Nedlac by Mr Mduduzi Shabane, Deputy Director-General (Department of Land Affairs 24 August 2006); Presentation by Ms A.T. Didiza, Minister of Agriculture and Land Affairs, at the Public Hearings on the Pace of Land Reform in South Africa, 18th October 2004. Delivery of Land and Agrarian Reform. Report to the National Land Summit (Ministry of Agriculture and Land Affairs July 2005).
that poorer households would be able to acquire small areas of land for food production 'on an individual or group basis' is quite unrealistic, given the large size of farms that come on to the market. There can be little doubt that LRAD represented a significant shift in the target group for redistribution, away from the very poor and in favour of better-off ‘emergent farmers’. Thwala (2007: 68), for example, describes it as ‘a reversal of the White Paper’s pro-poor commitment’, while Lyne and Darroch (2003: 4) (arguing from a NL perspective) assert that ‘[t]his marks a distinct shift in the South African government’s land redistribution policy away from poverty alleviation and group settlement, in favour of settling prospective farmers on their own farms’. References to poverty alleviation in this context can be seen as purely perfunctory, allowing SLAG to be replaced by LRAD as the principle policy instrument for redistribution when the implementation of two distinct programmes aimed at different target groups would have been more pragmatic.

The following sections will explore how arguments for land reform and poverty alleviation have been framed in the context of South Africa, and the emerging evidence about the performance of the land reform programme since 1994.

5. The ideological underpinnings of South Africa’s land reform policy

An overview of international debates around land reform since the 1960s reveals three broad approaches, which may be loosely terms modernisation (with both a capitalist and a communist version), neo-liberal (or ‘neo-liberal neo-populist’) and radical-populist. Put crudely, the first category believes in capital-intensive development leading to maximum extraction of value from the agrarian sector; the second overlaps somewhat with the first, but focuses more on the removal of economic ‘distortions’ and liberalisation of markets, and, in its neo-populist variation (as currently espoused by the World Bank), promotes ‘family-sized’ farms. The third (radical-populist) position, as espoused by movements of peasant and the landless across the developing world, is concerned less with the growth of the macro economy or the relatively efficiency of small farmers, and more with advancing the interests of a particular (down-trodden) class - at the expense of other classes if necessary. All have their ‘welfarist’ side, that acknowledge the need for alleviation of extreme poverty, and a ‘political’ side that accepts the need for land reform as a means of achieving political stability, even if these doesn’t lead directly to economic growth. All three are, obviously, abstractions, and tend to blur into each other in practice. It should also be stressed that all three positions are very loose coalitions of interests, at best, and do not necessarily constitute organised formations.

All of these positions have coexisted within the South African policy debates, in varying degrees of tension, since before 1994. While land reform in South Africa is usually described as market-based, suggesting that the neo-liberal position is dominant, a closer examination suggests that most of the pressure for land
reform is coming from the radical-populist side, with the neo-liberals also advocating reform but of a more modest nature. The modernist position supports only the most minimal land reform, and this largely as a means of easing the political tensions arising from a highly racialised pattern of landholding (i.e. they don’t believe that land reform is good either for the economy or for the poor, so they don’t really support either efficiency or equity arguments). For the big business-aligned CDE (2005: 22) land reform is about “[d]eracialising land ownership in commercial agriculture, and ‘normalising’ the countryside”. And yet, the modernisation camp has perhaps been the most influential of all, by serving as a break on both the neo-liberal and radical-populist wings. On the basis of its antipathy to land reform under the conditions currently prevailing in South Africa, and its (largely implicit) support for the existing structure of the agricultural sector, this camp will be here described as modernist-conservative.\(^\text{13}\) This paper argues that it is the interplay of these three elements that explains the current direction of land reform in South Africa and its perverse outcomes – outcomes that often cannot be attributed to any one camp, and which may not be supported by any of them.\(^\text{14}\)

Of particular significance in the current South African context is that no convincing case has been made for the economic superiority of small-scale farms over the existing large-scale commercial sector. The latter was seen by many as over-protected and over-subsidised, leading to various ‘distortions’ (to use the neo-classical term), and the neo-liberal policy response, from the late 1980s onwards, was a dramatic liberalisation of agriculture and agricultural markets. While this undoubtedly put many large-scale farmers out of business, it did not lead to a down-scaling of production units, but rather to an increase in size as units were consolidated under fewer owners (Vink and Kirsten 2003).

Moreover, the thoroughness of the transition to capitalism in agriculture is so complete that there is no obvious alternative class waiting to improve its efficiency. In Bernstein’s (1996) terms, the classical agrarian question (what he

\(^\text{13}\) The relevance and meaning of such labels will, of course, vary greatly from country to country, and are being used here with specific reference to the South African case. Thus, ‘conservative’ does not imply an economically-backward rentier class, but large-scale commercial farmers in general, including some of the most economically developed, with a vested interest in preserving the current landholding structure. The neo-liberal position associated with the World Bank might be seen in some countries as having a strong populism dimension, but this label is avoided here for two reason: firstly, the World Bank and like-minded economists are most widely associated with their support for the ‘willing buyer, willing seller’ policy, which is widely seen as sympathetic to landowners and hostile to the landless poor and secondly, the most obvious cleavage in the debate in South Africa is between those who support market-based solutions and those who call for more radical alternatives, particularly expropriation of land. In short, market-based land reform the position supported by the World Bank - is widely perceived in the South African context to be the antithesis of ‘populism’.

\(^\text{14}\) Seekings and Nattrass (2005: 354) refer to an ‘reagrarianisation’ lobby in the mid-1990s, which brought together the neo-liberals of the World Bank with theorists such as Michael Lipton, but which lacked any clear strategy for agrarian transformation. From this angle, the MC position can be said to be distinguished from the rest by its opposition to ‘reagrarianisation’.
terms the agrarian question of capital) has been resolved in South Africa, in favour of large commercial farms fully integrated to local and international markets. What remains far from resolved is ‘the agrarian question of labour’ – the fate of millions of farm workers and ex-farm workers, the dispossessed and those subsisting in the former homelands, whose link to the formal agricultural economy has been broken (for the majority) or reduced to wage labour at starvation wages.

The most significant attempt to make an economic case for land reform was contained in the collections edited by Lipton et al (1996) and Van Zyl et al (1996). Lipton et al (1996) suggest that considerable opportunities exist for labour absorption through a restructuring of agriculture in favour of smallholders. Van Zyl et al (1996) focused more on the process of land redistribution and based much of their argument on the inverse farm size-efficiency relationship said to exist within South African agriculture. Both of these collections have fed directly into the thinking of the neo-liberal camp described here, but have not been taken up by either the MC camp – not surprisingly, given their attachment to the existing structure of agriculture – or the RP camp, with whom they would appear to have some common interests. A couple of possible explanations can be offered for this. One is the general preoccupation with markets and commercialisation found in these works, which is generally anathema to the RP camp (at least at the rhetorical level). Another, and possibly the most important, is their approach to the acquisition (and restructuring) of land. Lipton et al have little to say about how the transition to smaller units of production will be brought about, but their general endorsement of market-based solutions put them clearly in the neo-liberal camp. Van Zyl et al go much further, explicitly linking their arguments in favour of land reform to market-based redistribution. As will be argued below, the means of land redistribution (including compensation for landowners) remains the defining issue in South African land politics. In order to be acceptable to the RP camp, economic arguments for land reform, or the discussion of models of land use, would have to eschew the language of markets and, above all, be disassociated from the ‘willing seller, willing buyer’ approach.

While these positions – modernist-conservative, neo-liberal and radical-populist - are described here largely in economic terms, each also has its political leanings and alliances. The modernist-conservative (MC) position is espoused by big business and ‘big agriculture’ (probably largely for reasons of narrow self interest), the more conservative elements within the ANC (including much of the cabinet) and, intriguingly, much of the state agriculture service (national and provincial. This includes both old-guard conservatives and newer Soviet-trained (or influenced) officials opposed strongly opposed to a ‘peasant path’. The MC position acknowledges the need for racial transformation of farming in the interests of political stability and may even support some restructuring as a means of broadening the base of ‘entrepreneurs’. In so far as this camp subscribes to poverty alleviation, it sees it seen as a consequence of economic growth (i.e. through trickle-down), and no arguments are offered to suggest that
land reform in particular can alleviate poverty, create jobs or grow the economy. The modernist-conservative position is well-stated in a recent report from the CDE, which clearly views radical land reform as a threat to growth, political stability and the system of private property rights (see box).

**Extract from *Land Reform in South Africa* (CDE 2005)**

The popular debate on land reform in South Africa is influenced far more by beliefs about this country’s history than by plans for its future well-being… Many participants in the debate on land reform are informed by an idealised vision of rural South Africa and a once thriving peasant agriculture cruelly destroyed by successive white governments; memories of forced removals; anger at the way in which, until recently at least, white farmers were protected by means of subsidies and other privileges while black farmers were discriminated against and dispossessed; and a strong desire to show that, given opportunity, land, and resources, black South Africans can farm successfully. ‘Land reform’ has become too vague a concept, an idea to which South Africans have attached a too large number of issues and challenges. These include full and final restitution for much of the legacy of apartheid, including the economic and political damage caused by the Natives Land Act of 1913, the 1936 Natives Trust and Land Act, the Group Areas Act of 1950, and other racially discriminatory laws; the consequences of the forced removals under apartheid of millions of South Africans; and the many legacies of the ‘homelands’ policy of successive National Party governments. As if these factors weren’t enough, many participants in the debate on land reform also expect it to modernise the communal tenure system in former homeland areas; strengthen the position of women living in traditional societies; rapidly create a new class of flourishing black commercial farmers; and play a major role in relieving rural poverty. (CDE 2005: 5)

The neo-liberal (NL) position takes a broadly liberal-democratic view - economic democracy and protection of private property, with criticism of ‘old order’ inefficiency, monopoly and rent-seeking behaviour. It contends that land reform can contribute to job creation, poverty alleviation and growth, particularly through the inverse relationship and the removal of ‘distortions’ that favour (large) capital-intensive over (small) labour-intensive methods of production. It is sceptical of the economic role of the state, and of large land owners (who it views as inefficient and skilled in protecting their own narrow interests). Politically, the NL position is closely aligned with the ‘BEE’ element with the ANC (and the new agricultural ‘establishment’ within national and provincial ministries of agriculture and departments of agricultural economics), supporting racial equality but opposing a radical class-based redistribution (i.e. that would favour the very poor).

The radical-populist (RP) position is mainly concerned with putting assets (including state resources) directly into the hands of the poor for purposes of poverty alleviation. It lacks the theoretical basis of the NL position (or the narrower economistic arguments of MC), suggesting not that land reform will lead
to growth, but to redistribution of wealth and power (which might lead to growth at some point, but this is not central to their argument), and self-employment rather than wage employment. This position has been most closely associated with the non-governmental organisations (NGOs) organised within the National Land Committee during and after the transition to democracy, who undoubtedly had enormous influence in the shaping and implementation of land reform policy, especially in the early years of the programme. A more radical version was espoused by the Landless People’s Movement that emerged from around 2000, but both organisations had effectively collapsed by 2004 (Greenberg 2006). The RP attracts rhetorical support from much of the liberation movement and ‘the masses’, particularly those elements disaffected by the ANC, but lacks a political home. It has some allies in the social movements of the township and in the South African Communist Party (SACP) and the Congress of South African Trade Unions (COSATU), but few proposals have been put forward by these organisations beyond a vague commitment to the poor, and criticism of the ‘willing seller, willing buyer’ approach.

An example of the radical-populist position is offered by Thwala (2006: 70) who clearly sets out the case for a pro-poor, small-farm land reform:

‘Land is a primary means of subsistence and income generation in rural economies. Access to land allows rural families to put their labor to productive use in farming, while providing a supplementary source of livelihoods for rural workers and the urban poor. Land can be loaned, rented, or sold in times of extreme distress, thus providing a degree of financial security. Importantly, as a heritable resource, land is the basis of wealth and livelihood security for future rural generations. Rights in land and access in land are major determinants of a household’s capacity to choose and determine their own level of farm capacity and use.’

Thwala’s critique of South African land reform policy, however, rests entirely on the limitations of the methods of land acquisition, namely ‘the property rights clause in the constitution and the opting for the markets as the mechanism for redistribution’. No mention is made of how large units of land may be subdivided to allow for production by ‘families’, or of the methods of production to be applied on redistributed lands. A similar approach is taken by Ntsebeza (2007) who focuses exclusively on the limitations (and inequity) of the market-based approach to land acquisition. Andrews (2007: 213-5) goes somewhat further, in arguing that land should be redistributed for a variety of users, including ‘small producer groups, individual producers, co-operatives and family units’, with support services provided by the state; and calls for alternative models of land use and ‘alternative farming methods and appropriate technologies that are more suited to the rural poor’. Little is said, however, about how this can be brought about, and most criticism of the current policy is once again focused on the methods of land acquisition.
The foundations for the South African land reform programme were laid during the negotiation transition to democracy, when the ANC (the dominant element within the liberation movement) was itself in rapid transition from a Marxist-influenced national liberation movement to a neo-liberal party of government. This coincided with a major reordering of the global politics and economics following the fall of the Soviet Union and the emergence of neo-liberal globalization as the dominant ideological and economic force internationally. This created unique circumstances where demands and proposals from across the ideological spectrum competed with each other, but often indirectly and with little reference to each other, in ways that left key issues unresolved (or even unaddressed), or resolved in ways that suggested consensus where in fact deep divisions remained.

Immediately following the transition (roughly 1994-1999) it would appear that a combination of the neo-liberal and the radical-populist positions held the upper hand within official policy. The World Bank and its supporters within the country advocated a rapid transfer of land to blacks, a position supported by the radical-populists in the land NGOs and the mass movements (Williams 1996). The Bank and others were able to justify this in terms of its contribution to the political stability of the country, and a generalized (but vague in the context) belief in the efficiency of small farmers. South African advocates of land reform focussed largely on arguments of restorative justice, but also with an eye on poverty alleviation and economic reconstruction. The compromise 'model' that emerged at this time had a number of defining characteristics, which continue to shape the land reform programme. Subsequent changes in policy direction would suggest some reversion to a 'purer' neo-liberal model, but also the continued assertion of modernist imperatives, now presented in the new language of black economic empowerment (BEE). While NL and RP may have shaped much of what happened in land reform since 1994, equally important has been what has not happened: no expropriation, no subdivision, no land tax, no radical restructuring of either large landholdings or the agricultural and agri-business sectors more generally. This can be seen as a major success for the MC faction (which, as argued above, is opposed to most forms of land reform anyway), serving as a massive break on all forms of land reform to date.

Some of the key features of the South African redistribution programme, and their ideological leanings, are examined next. From this, the ideological influences on the land reform programme can, hopefully, be determined, and the links to poverty alleviation (if any) explored further.

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15 A range of other positions have been advanced over the years, but the three discussed here have arguably been the most influential. Arguments for a small-farmer path have been put forward by various authors, notably by Marcus et al (1996), Wildschut and Hulbert 1998 and in collections edited by Levin and Weiner (1997) and Cousins (2000), but these have had remarkably little impact on the popular discourse or on policy.
5.1 Land acquisition
Land acquisition remains the most contentious issue in South African land reform. It was resolved in the run-up to 1994 in favour of the ‘willing seller, willing buyer’ model, and confirmed as such in the White Paper of 1997. This can be seen as a victory for the neo-liberal camp, and for the World Bank in particular, who actively promoted this model, but it also posed no threat to the MC camp as it restricted the power of the state, fully compensated existing landowners and gave them an effective veto over the land reform process. It also chimed with the general spirit of reconciliation and compromise that characterized the negotiated transition to democracy, although it goes considerably further than the requirements of the 1996 Constitution, the ultimate expression of that compromise. While the World Bank position prevailed with respect to the voluntary nature of transactions and the payment of full market price, this was somewhat undermined by the failure to introduce a land tax to stimulate supply and dampen land prices, the absence of an element of expropriation to deal with difficult cases, the failure to allow intended beneficiaries to ‘shop around’ for land and to be directly involved in purchase negotiations, and the failure to promote sub-division (of which more below).

It is remarkable that the innovative (and arguably deeply flawed) policy of ‘willing seller, willing buyer’ remains the central pillar of the South African land reform up to today, given the widespread (but not universal) opposition it has provoked. Its survival can hardly be attributed to its success in transferring land, although it probably reassures free-market advocates in government and big business, at home and abroad. It has even been criticized by landowners, the chief beneficiaries of this approach, for its cumbersome bureaucracy and slow payments, although they cling to it as they can see that it slows down the pace of reform and offers higher levels of remuneration than they might obtain under any other policy. The NL camp appears to be mainly motivated by a desire to prevent excessive intervention by the state that would ‘distort’ the market, and - true to their free-market principles - have raised no objection to the quality of land being acquired, the prices being paid or the pace of reform. It is vociferously opposed by the RP camp – for a variety of reasons – but they have been spectacularly unsuccessful in achieving any change in policy, despite occasional political utterances to the contrary (with the partial exception of restitution, which can be seen as a special case).

5.2 Beneficiary targeting
The intended beneficiaries of land reform have, from the outset, been defined in extremely broad, and mainly racial, terms. The 1997 White Paper cast a very wide net, and although particular groups – such as the youth, the unemployed and farm workers - are mentioned by name, no specific strategies have been developed to ensure that such groups actually benefit. There is considerable debate about the socio-economic profile of actual beneficiaries, especially since the turn to LRAD in 2001, but all the evidence would suggest that most groups
have been poorly served. Women would appear to be the only category for which particular efforts have been made in terms of ensuring their representation within the land reform programme, but little reliable information is available on the success or otherwise of such measures.

Under SLAG (from 1995-2000) a household income ceiling of R1,500 per month was set, although it would appear to have been ignored in many cases, especially where large groups were concerned. This, together with the absence of other entry requirements, could be seen as a victory for the RP camp as, in theory, it privileged the poor (if not specifically the very poor). The setting of the household grant at R15,000, although problematic in many respects, could also be seen as maximizing participation, by effectively limiting the amount of land obtainable per person, and equality, as virtually every participating household received the same size of grant. This crude pro-poor position contributed directly to the widely criticized rent-a-crowd phenomenon, which, along with poor planning, minimal post-settlement support and a refusal to subdivide land, opened the door to those in favour of more ‘economically viable’ (i.e. better-off) beneficiaries.

The switch to LRAD in 2001 undoubtedly brought (and was intended to bring) important changes in terms of beneficiary selection (and in land use – see below). This can be seen as a clear turn away from the RP position, with gains for both the MC and NL. The World Bank has long argued for own-contribution by beneficiaries as a component of self-selection, along with a combination of grants and loans for land purchase (Lahiff 2007: 14). The more demanding qualification criteria for LRAD (especially at the higher grant levels) also ensure a more ‘commercial’ orientation, in line with neo-liberal thinking. The continuing absence of sub-division, however, (as well as the absence of land tax and expropriation) suggests that the gains made by the NL position in the shift to LRAD are quite limited. For the MC camp, better-off LRAD beneficiaries, acquiring land as individuals or as small (often family-based) groups, came closer to their ideal model of a South African commercial farmer, and therefore represent continuity of land use and production systems – that is, the deracialisation of large-scale commercial farming rather than the expansion of ‘dualism’.

5.3 Farm Planning
Apart from the ways in which land is acquired, and beneficiaries selected, the South African land reform has been shaped by the type of farm (or project) planning that is has employed. While this has varied somewhat over time, and has given rise to a range of outcomes (not all intended), and has rarely been acknowledged or named, its broad and enduring characteristics can be discerned.

First, farm planning tends to be about the farm, not about the beneficiaries that are due to take it over. Great attention is paid to the physical features of the land,
its recent history and its agricultural potential (as seen through the eyes of the commercially-oriented planners hired by the Department of Land Affairs). Little or no attention tends to be paid to the resources, skills and even expressed wishes of the intended beneficiaries. It is quite clear that the beneficiaries must adapt to the needs of the farm, and not the other way around (HSRC 2003; Wegerif 2004; Hall 2004b; Bradstock 2005).

Nowhere is this more evident than in the official opposition to the sub-division of farms. This has deep roots in South African history, and remains a persistent feature of land reform since 1994, spanning SLAG and LRAD, as well as restitution and even the tenure reform programme\(^\text{16}\). The failure to subdivide is arguably the single greatest contributor to the general underperformance of land reform projects, as it not only foists inappropriate sizes of farms on people (and absorbs too much of their grants in the process) but also forces them to operate in groups, whether they want to do so or not, and to constantly negotiate their land rights and farming activities within groups structures.\(^\text{17}\)

The lack of subdivision runs directly counter to the principles of market-led land reform, a fact that has only lately been admitted by key actors (see below). Coming from a context of large-scale commercial farms, there can be no transition to ‘family-sized farms’ without a high degree of subdivision and, for those basing their arguments on the inverse relationship, no family-sized farms means no efficiency gains.

In a recent paper, some of the key players in the South African land reform debate set out the case for subdivision. Given the importance of this issue and the credentials of the authors\(^\text{18}\) it is worth quoting at some length:

\(^\text{16}\) For example, labour tenants (i.e. tenant farmers) in Mpumalanga, with a long history of family-based farming, have been resettled in groups on specially acquired farms, which they hold collectively in undivided shares – effectively, a forced collectivisation.

\(^\text{17}\) This discussion focuses on the failure to subdivide farms after they have been acquired. However, a policy of acquiring portions of farms, in sizes appropriate to the needs of identified beneficiaries, could also make the acquisition process itself much quicker and the land reform programme more attractive to more people. Thus, the failure to subdivide can be blamed not only for post-acquisition failures of production, but also for the slow pace of land transfer itself. This point is effectively conceded by van den Brink et al (2006: 45) in the form of a recommendation: ‘Compulsory, market-assisted and negotiated land acquisition methods all need to be able to acquire subdivisions, rather than whole farms. In many cases, the state will not be interested in acquiring the whole farm for redistribution, but rather a part of it, leaving the farm owner with the part that originally was used for residential and intensive farming purposes. This method of acquisition has several advantages …’. It should be added that land reform projects have long been exempted from the restrictions of the Sub-Division Act, but this appears to be widely ignored by officials and landowners.

\(^\text{18}\) Rogier van den Brink is Senior Economist for the Africa Region of the World Bank, based in Pretoria, and close advisor to the DLA. Hans Bingswanger (along with Klaus Deininger) is the principal architect of South Africa’s market-based land reform. Glen Thomas is the Director-General in the Department of Land Affairs, and has held various senior positions related to the redistribution programme since the mid-1990s.
South Africa … still has explicit legal and policy restrictions against the subdivision of farms into smaller units… . South Africa’s subdivision policy—the Subdivision of Agricultural Land Act, 1970 (Act No. 70 of 1970)—was inspired by the danger of “die verswarting van het platteland”—literally, the “blackening of the country side.” The official reason given at the time was that farms should not be allowed to decrease in size below the so-called “viable” size. This begs the next question: what is a “viable” size? The first thing to realize is that “viability” is not a notion related to production economies of scale. Instead, it is linked to a minimum income target. In former settler colonies, the “viable” size was calculated by setting a minimum income target for white farmers. On the basis of this income target, a simple calculation followed which determined the size of the farm. Efficiency considerations, such as economies of scale, or employment generation, did not enter the calculation. The viability policy was a social policy which ensured that white farmers earned an income acceptable to white society. … To date, unfortunately, neither Zimbabwe nor South Africa has removed such subdivision restrictions. The result is that the restriction on subdivision functions as a powerful barrier to racial integration in the commercial farm areas and in the peri-urban areas … It makes it difficult for a black person - in Southern Africa, on average, poor—to legally buy a small plot in a formerly white area - simply because no small subdivisions are on offer … In other words, a policy that had been designed with the sole purpose of ensuring white living standards and segregating the races is still in place in the democratic, non-racial South Africa of today. This policy lacks any economic, let alone social, rationale. It restricts the land market and makes it difficult for small farmers to buy small farms … The removal of these subdivision rules is urgently needed. (van den Brink et al 2006: 31) (emphasis added)

Group acquisition has not been openly questioned by the RP camp, suggesting that they do not see it as an issue, or perhaps because of an ideological suspicion of ‘individualisation’ and sympathy for collectivist solutions (whether of the socialist or ‘African’ variety) – although the widespread failure of collective production on collectively-held farms must give grounds for concern. The limited evidence from existing land reform projects suggests that large groups do not translate into effective production or distributable benefits, and many collapse into individual production (albeit usually at a very low level of production). The collective (‘community’) basis of many restitution claims, and the requirement that

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19 Williams (1996: 157) provides an intriguing glimpse of the emergence of the ‘collectivist’ model, in the interaction between World Bank and South African policy makers: “In 1993 the World Bank projected a more radical profile on the land issue [than it had in 1992]. Binswanger and Deininger revised their paper and altered their conclusions to take on board a number of issues raised by South Africans with first-hand knowledge of land issues. Rather than emphasising individuals purchasing land, they now envisaged resettled communities adopting a range of possible arrangements which could include ‘collectives in which plots are not tradable to cooperatives with inalienable individual rights and condominiums with largely unrestricted individual rights to rent and sell land to other members of the community’.”
people organize themselves into groups in order to access land (and grants) under the redistribution programme may also have contributed to collective land holding (and attempts at collective production), but this progression from applying for land as a group to using land collectively is not inevitable, and could certainly be redirected by officials at key points in the project cycle if there was official support for such a measure. The most obvious explanation for this situation, however, is the requirement imposed by officials of the Department of Land Affairs, provincial Departments of Agriculture (responsible for vetting land reform applications) and the Regional Land Claims Commissioners (responsible for restitution settlements), as a condition of grants and settlement awards, that groups implement ‘whole farm’ plans that conform to the (imagined) norms of large-scale commercial farming. Applications that propose small-scale (i.e. ‘subsistence’) production or break-up of existing farm units stand little chance of being approved under the current system.20

The blocking of subdivision can, therefore, be seen as a triumph for the MC camp – conservative, in that it perpetuates a particular historical model, as critiqued by van den Brink et al (above), and modernist in that it retains the semblance of a large commercial farm, although usually as a caricature where the outer boundaries remain but the productive activities within collapse. It has, belatedly, been criticized by the NL camp but only, one suspects, when it became clear that collective farms were not going to metamorphose into new ‘commercial’ farms. To date, the lack of subdivision can be seen as a major failure of the NL position, and demonstrates the limited influence it actually has over the land reform programme.

The retention of former commercial farms as undivided properties is, however, only one aspect of the farm model being imposed as part of the South African land reform. In many other ways as well, groups of (generally) resource-poor, risk-averse and inexperienced black farmers are required to conform to the imagined ideal of a single commercial farmer-owner. This starts with the ‘business plan’ which is typically drawn up by consultants (or officials of the provincial Department of Agriculture), based (however imperfectly) on conventional models of large-scale commercial farming and, as argued above, relates almost entirely to the physical properties of the land and hardly at all to the socio-economic characteristics of the new owners. Production for the market

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20 Virtually the only (semi) official comment on group, or collective, forms of production and their negative impact on the land reform process comes, once again, from Van den Brink et al 2006: “Black farmers should not be forced to mobilize large crowds to be able to pool enough grants together to buy a large farm, or, driven by misguided notions of “viable farm sizes”, be pushed into ill-fated collective farming experiments (which will fail, as they have elsewhere in the world). The state will and should be more pro-active in assisting black farmers acquire farms that they can operate as individual family farms, commensurate with their initial skills and financial resources, and benefiting from the type of technical support and infrastructure developments that will make these farms and other businesses a success.” The nature of such ‘pro-active’ intervention by the state is not spelled out, but would clearly require some departure from the current market-based approach.
is usually the only objective, and plans typically require substantial loans from commercial sources, purchase of heavy equipment, selection of crop varieties and livestock breeds previously unknown to the members, hiring of labour (despite typically high rates of unemployment among members themselves) and often of a professional farm manager as well.

Thus, a defining characteristic of South African land reform policy is that beneficiaries – no matter how poor or how numerous – are required to step into the shoes of former white owners and continue to manage the farm as a unitary, commercially-oriented enterprise, while alternative models, based on low inputs and smaller units of production are actively discouraged. This inappropriate model, and the tensions within beneficiary groups that emerge from it, are largely responsible for the high failure rate of land reform projects, as discussed below.

This ‘business’ model can, again, be seen as a triumph for the MC camp, in that it preserves the façade of large-scale commercial farming. It can also be seen as a partial triumph for the NL camp, especially with regard to the emphasis on loan financing and overall commercial orientation, but certainly not in proposals to use hired labour over household labour. It directly contradicts the NL model in the failure to downsize, the failure to create individual holdings, and the emphasis on cooperation by group members - i.e. lose, horizontal relationships, within poorly managed communal property institutions - rather than tightly-knit households. The general failure of the RP to take on board the evident failures of the collectivist model and to propose alternatives is remarkable, and needs to be understood in the context of its preoccupation with land acquisition and an ongoing failure to engage with the detail of land use.

As with many other aspects of land reform, the current default position – large and small groups attempting collective production on undivided properties – has emerged as a messy compromise between contending forces, and was probably not desired by any of them. Conservative elements across the agricultural ‘establishment’ have actively and deliberately opposed subdivision, and they have clearly had their way to date. Radical-populists remain preoccupied with land transfer, to undifferentiated ‘communities’. Indeed, the aim of this camp would appear to be the reestablishment of residential communities (as the quote from Williams above, would suggest), with an emphasis on collective landholding. While rhetorical support is given to land for food production and meeting basic needs (Thwala 2006, Andrews 2007), there has been little or no engagement with the realities of agricultural production, either on an individual or a collective basis. In other words, the RP camp – with some few exceptions - is not actively promoting collective models of production, but this is emerging largely as a

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21 It is difficult, however, to imagine why proponents of a MC position would actively wish to see such abject failures. Among the possible explanations are (a) that it was unforeseen, (b) that it serves to discredit land reform or (c) (at the most conspiratorial) it assumes that such projects will collapse sooner or later and that the inevitable reversion to a single commercial operator (whether white or black) will be easier if the property remains intact.
consequence of the emphasis on collective landholding, and a failure to develop any other model of production. The lack of progress of the neo-liberal position is probably the most puzzling, but a possible answer lies with a contradiction at the heart of their market-based model. While subdivision is key component of the neo-liberal model, its advocates have failed (or perhaps refused) to offer any mechanism whereby this might be brought about. No suggestions are offered in the two volumes edited by Lipton et al (1996) and it is only mentioned in passing in the volume edited by van Zyl et al (1996). Having offered a persuasive critique of the legal ban on subdivision, Van den Brink et al (2006) offer only one, typically liberal, solution, the removal of the ban. This clearly does not address the problem, which is the size of farm units coming on to the market. The breaking up farms by beneficiaries after purchase is unrealistic, due to the expense and complexity involved, despite persuasive evidence that small plots for individual use are what are most widely demanded (Aliber and Mokoena 2002; Marcus et al 1996). Breaking up such units prior to their transfer to beneficiaries would require a much more interventionist stance by the state, to first buy the property and then survey and register individual plots. Allocation of plots would then require a transaction between the state and beneficiaries, and the illusion of a market-transaction between landowner and land reform beneficiaries would be shattered. So, while the World Bank and its supporters wish for subdivision, their own policies prevent them from recommending the one mechanism able to bring this about – direct involvement by the state in land acquisition and redistribution.

5.4 Post-settlement support
A lack of post-settlement support (PSS) has, of late, been identified as one of the key weaknesses in South Africa’s land reform but, the inappropriate design of most projects, as outlined above, suggests that even greatly improved PSS may not be sufficient to resolve the deep-rooted problems they face. In terms of market-led land reform, beneficiaries should not rely exclusively on the state for post-settlement support services, but should be able to access services from a range of public and private providers. The past two decades have seen a major reduction in the overall state services available to farmers, but while large commercial farmers have generally managed to overcome this through access to a range of commercial and cooperative services, land reform beneficiaries and other small-scale farmers are largely left to fend for themselves (Vink and Kirsten 2003). Recent studies show that land reform beneficiaries experience numerous problems accessing services such as credit, training, extension advice, transport and ploughing services, veterinary services, and access to input and produce markets (HSRC 2003; Hall 2004b; Wegerif 2004; Bradstock 2005).

Services that are available to land reform beneficiaries tend to be supplied by provincial departments of agriculture and a small number of non-governmental organisations, but the evidence would suggest that these only serve a minority of projects. In a study of LRAD projects in three provinces, the HSRC found that “...
in many cases there is still no institutionalised alternative to laying the whole burden of training, mentoring and general capacitation on the provincial agricultural departments” (HSRC 2003: 72). In a study of nine LRAD projects in the Eastern Cape Province, Hall (2004b) found not one had obtained any support from the private sector, and most had not had any contact with either the Department of Land Affairs or the Department of Agriculture since obtaining their land. In November 2005, the Minister for Agriculture and Land Affairs told parliament that 70% of land reform projects in Limpopo province were dysfunctional, which she attributed to poor design, negative dynamics within groups, and lack of post-settlement support22.

For Jacobs (2003), the general failure of post-settlement support stems from a failure to conceptualise land reform beyond the land transfer stage, and poor communication between the national Department of Land Affairs (responsible for land reform) and the nine provincial Departments of Agriculture (responsible for state services to farmers):

The rigid distinction in South Africa’s land policy between land delivery and agricultural development has resulted in post-transfer support being largely neglected. There is no comprehensive policy on support for agricultural development after land transfer and the agencies entrusted with this function have made little progress in this regard. Agricultural assistance for individual land reform projects is ad hoc … (Jacobs 2003: 7).

This lack of coordination between the key departments of agriculture and land affairs is compounded by poor communication with other key institutions such as the Department of Housing and the Department of Water Affairs and Forestry, as well as local government structures (Hall et al 2007). The need for additional support for land reform beneficiaries has of late been acknowledged by the Ministry of Agriculture and Land Affairs and has led to the introduction, in the national budget for 2004/05, of a new Comprehensive Agricultural Support Programme (CASP), with a total of R750 million allocated over five years. In addition to this grant facility, plans are underway to reintroduce the previously discontinued Agricultural Credit Scheme, also aimed at small and ‘emerging’ farmers (but not exclusively land reform beneficiaries) (Hall and Lahiff 2004).

The well-developed (private) agri-business sector that services large scale commercial agriculture has shown no more than a token interest in extending its operations to new farmers, who in most cases would be incapable of paying for such services anyway. The assumption that the private sector would somehow ‘respond’ to demand from land reform beneficiaries with very different needs to the established commercial farmers has not been supported by recent experience. The principal explanation for this, of course, is that land reform beneficiaries are, on the whole, so cash-strapped that they are not in a position to

exert any effective demand for the services on offer, even if these services were
gear ed to their specific needs.

The failure (or refusal) by the state to provide comprehensive and effective post-
settlement support could be said to serve the interests of both the MC and the NL
camps. While both might accept the need for a degree of support in the early
stages (if only to avoid complete failure of the land reform programme, which
would be politically unacceptable, and a waste of the public resources already
invested), the main emphasis of both these camps has been to oppose major
expansion of the public service or subsidies to emerging farmers. In practice,
however, the weakness of the state support services, and the impact on land
reform projects, has received relatively little critical attention. The failure of the
private sector to fill the gap demonstrates not so much the political weakness of
the NL camp but a degree of wishful thinking about the ability of new farmers to
purchase services in the market place.

Generous state support across a wide spectrum might be expected to be a
central demand of the RP position. The lack of advocacy around this issue,
however, and the general failure of post-settlement support, can be seen as
indicative of the general lack of attention to the technical (including budgetary)
details of programme design and implementation, but also the political
marginalization of the RP camp.23

6. Outcomes of the South Africa Land Reform Programme, and link to
Poverty Alleviation

Very little official data is available on the impact of land reform on agricultural
production and on the livelihoods of beneficiaries. What is available, however,
points to widespread under-utilisation of land, a lack of external support and
minimal impact on livelihoods for most participants. The ongoing failure of an
effective monitoring and evaluation (M&E) programme within land reform has
been widely commented on, and reveals a key strategic weakness at the heart of
the programme. Reliable data is necessary not only to understand the impact of
land reform, but also to allow for periodic assessment and adjustment by policy
makers, as observed by Chimhowu:

> A lack of good quality systems to generate information on the poverty
impact of reforms is a programme design flaw and demonstrates a lack of
focus on the processes meant to transform land into sustainable

23 A stark contrast is offered by the relative success of the National African Farmers’ Union
(NAFU). This organisation represents the interests of so-called emergent (i.e. better off, and
commercially-oriented) black farmers, and has successfully lobbied government on policies such
as state land disposal, reform of the Land Bank and introduction of financial support programmes
such as CASP and MIFISA. What is significant here is that these concessions have not been
demanded for, and have generally not benefitted, the majority of ‘ordinary’ land reform
participants, but rather the small minority of better-off, and politically organised, black farmers.
livelihoods, as much as it is about the real concern of political elite with targets for land transfers. (Chimhowu 2006: 31)

This is particularly important from a poverty alleviation point of view. Without effective targeting, backed up by effective M&E systems, there is no way of distinguishing between the poor in general, the chronically poor or the non-poor. Without reliable baseline data on people participating in land reform it is not possible to know the impact on livelihoods (even if such things were being measured, which they generally are not), and to make the necessary adjustments to policy.

The context in which new and existing resource-poor farmers operate is becoming increasingly hostile, due to changes in world and local markets and because of changes in government policy. At a general level, Vink and Kirsten (2003) argue that conditions in the communal farming areas have remained largely unchanged or may even have worsened after eight years of land reform, and suggest that there is no evidence that the supposed beneficiaries of land reform are better off because of their participation in the programme. Similarly, Seekings and Nattrass (2005) make an explicit links between changes in the agricultural economy and increasing poverty, and to link this further to failures in the land reform programme. Instead of increasing employment in agriculture, they argue, government’s macro-economic policies have caused agricultural employment to fall dramatically, swelling the ranks of the unskilled unemployed.  

“Overall … government policy has not succeeded in being pro-poor. Farm workers have experienced continued retrenchments and dispossession, despite supposedly protective legislation. Land reform has not benefited the poor significantly. The reforms that have been implemented have generally been to the benefit of a constituency that was already relatively advantaged. In this crucial sector, the post-apartheid distributional regime has not resulted in improved livelihoods for the poor”. (Seekings and Nattrass 2005: 357)

On the more positive side, authors such as Deininger and May (2000: 17) point to the potential of smallholder agriculture to contribute to agricultural employment and poverty alleviation, but, other than demonstrating that land reform was successfully targeting the poor, were unable to provide evidence that such potential was being realised in practice:

… the fact that economically successful projects reached significantly higher levels of poor people suggests that increased access to productive assets could be an important avenue for poverty reduction. Given the importance of developing a diverse and less subsidy-dependent rural

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24 Some of the dimensions and outcomes of these processes are well captured in work by du Toit (2003) and Wegerif et al. (2005)
sector, a suitably adapted land reform could play an important role in the restructuring of South Africa’s rural sector. (Emphasis added)

Such claims have been challenged by authors such as Schrimmer (2000), who argues that beneficiaries lack the capital necessary to produce, and Aliber and Mokoena (2003) who argued that continuity in farm use, especially capital intensive methods, fail to exploit the labour that the poor have available.

DLA’s Quality of Life survey of 1999 found that only 16 per cent of projects were delivering ‘sustainable’ revenues (May and Roberts 2000:14), while a subsequent study of 2002 found that in many projects no production is happening and some beneficiaries are worse off following reform (Ahmed et al. 2003: xxvi). Interestingly, most households that were producing were found to be focussing on staple food crops for own consumption, something that features in virtually no business plan and that received little or not support from either the Department of Land Affairs or provincial Departments of Agriculture.

A similar picture is emerging from studies of restitution claims settled through land restoration and resettlement of communities. In a review of a range of recent studies, PLAAS (2006) reported that of 128 restitution projects with agricultural developmental aims, 83 percent had not achieved these developmental aims. Approximately nine percent had partially achieved their agricultural developmental aims but were not generating any income. A further five percent had partially achieved their agricultural developmental aims and were generating income but not profit and were not considered sustainable as yet. Two percent had achieved their agricultural developmental aims and were generating profits that were being reinvested. Across all projects (a total of 128) the majority of all members had not yet managed to access any land, and only one project had attained its agricultural aims and was in a position to distribute income among its members.

The most striking finding from the case studies is that the majority of beneficiaries across all the restitution projects have received no material benefit whatsoever from restitution in the form of cash income or access to land. (PLAAS 2006)

In a study of the wider impact of land reform on agricultural production and welfare in the Eastern Cape, Aliber et al (2006) found a drop in production (relative to the previous owners) alongside modest improvements in the livelihoods of those who now own and work the land. Thus, welfare (equity) objectives were being achieved, to some degree, but at the expense of growth (efficiency). In a district study from a high-value wine and fruit belt in the Western Cape, Kleinbooi et al. (2006) show that land reform has not led to any major changes in land use and only very modest contributions to livelihoods. Only twelve projects have been established in the area, and of these only two have involved the transfer of land ownership. The rest have been farm worker equity schemes and tenure security projects for farm dwellers. The impact on
beneficiaries has been ‘limited, but not negligible’, largely taking the form of improving quality of housing and working conditions, or tenure rights on farms. Cash dividends, the major benefit anticipated in equity schemes, have been paid out only once, and in only one scheme.

Significantly, the most that senior figures closely associated with South African land reform were able to say twelve years into the process was that ‘[l]and and agricultural policy reform in South Africa holds the promise of increasing efficiency, equity and generating jobs’, but were unable to present any evidence that this was happening in practice (van den Brink et al 2006: 25; emphasis added).

The persistent failure of the Department of Land Affairs to monitor the land reform programme in detail is difficult to explain. Evaluation of long-term outcomes of reform is only one dimension of this process, and one that could be carried out by external researchers, and there is clearly scope for more systematic evaluative studies by organisation within and outside government. More worrying, however, is the lack of routine data gathering and reporting on the Department’s own day-to-day activities. Cumulative totals of hectares transferred and individuals benefiting, per province, have been released from time to time, but never on a regular basis, and major doubts have been raised about the accuracy of some of these figures. No reliable data sets have been released for independent analysis, and it appears likely that none exist. Reliable lists of projects and beneficiaries, with basic data on land value and quality and demographic details, are required as the basis for more in-depth studies, and this data can only be gathered by DLA in the course of its routine operations. In addition to projects implemented, data is required on applications refused and projects that do not come to fruition, in order to understand the wider impact of the programme and the challenges it faces.

7. Recent policy debates

A number of policy changes are currently under consideration by the South African government, especially following the National Land Summit of July 2005 where much criticism was levelled by representatives of civil society against the willing seller, willing buyer approach, the slow pace of land transfers and the ongoing abuse of farm dwellers. Most of the debate has, as usual, been around the process of land acquisition, including the supposed resistance of white landowners and the high prices being demanded for land, and although government is showing reluctance to intervene in the market it appears that some modest measures may be adopted to improve to supply of land for reform purposes. Policies currently under consideration (2006-2007) include restrictions on ownership of land by foreigners, a land tax, proactive land acquisition by the state (presumably from willing sellers and without expropriation) and an area-based approach which would include a greater role in land reform for local
government. Within the restitution programme, attention is being paid to reforming the process of project planning and the delivery of post-settlement support, but this is still at an early stage.

The focus of most policy debate in recent years has been on the pace of reform (i.e. the rate of land transfer), with some attention of late to the widespread failure of land reform projects to deliver material benefits to their members, but this has not included a specific focus on poverty alleviation. Key elements of a more poverty-focussed programme would have to include reform of the process of beneficiary selection to target poorer households, project design that emphasised low input, labour intensive production for direct consumption and local markets, extension services and easily-accessible small-scale credit. None of these have featured significantly in recent debates, and where they have they have been decidedly anti-poor. Particular emphasis has been placed on project ‘viability’, which signifies selection of better-resourced and experienced beneficiaries, more ‘commercial’ forms of production and continuity in land use between old and new farm owners. Needless to say, subdivision of land does not feature prominently in these debates.

Probably the most extreme example of this emphasis on viability (quickly becoming dominant in restitution and likely to spread to redistribution as well) is the concept of ‘strategic partnerships’ between land reform beneficiaries and external investors, which emphasises continuity of (commercial) production and a reduced role for beneficiaries (Derman et al 2006). This shift is a major advance for the modernist-conservative (MC) camp, as it preserves the structure of farming units and the minimises the change in the agricultural economy, while broadening nominal ownership of land and the distribution of benefits from agriculture. It is likely to lead to some consolidation of farming units – the direct opposite of sub-division – and substitutes remote corporate entities for owner-operators. While this may bring some economies of scale, it is highly unlikely to lead to the types of total factor productivity (efficiency) gains envisaged by neo-liberal (NL) theorists. It also represents a major setback for the radical populist (RP) position – possibly the most severe to date – as it breaks the direct link between people and land and reduces members of claimant communities to passive shareholders in enterprises that are effectively beyond their control.

The results of any acceleration of land acquisition as a result of these emerging policies will, of course, depend on how, and to whom, it is redistributed, the models of agricultural production promoted and the degree of support provided. Accelerated land redistribution may be supported by all three main camps, in that it serves to deracialise landholding, but in the current policy climate it appears highly unlikely that it will lead to the creation of the more efficient family farms espoused by the NL position, or to the direct access for land for survivalist purposes as espoused by RP adherents. Neither of these latter two camps would appear to have much influence over current policy debates – despite the rhetoric
of the National Land Summit – and poverty alleviation does not appear to be anywhere addressed.

8. Conclusions

This paper argues that while there is considerable support for land reform in South Africa and internationally, there is intense contestation about the means and the objectives of such programmes. A review of the literature, including policy documents, reveals the lack of a clear theoretical link, or argument, between land reform and poverty alleviation in the South African context, although such a link is asserted by a range of commentators. Moreover, the South African land reform programme is not designed or implemented in a way that specifically addresses poverty – indeed, much of what it does could be said to be anti-poor and unlikely to lead to significant benefits for any but a small minority of the already better off. This is evident in the selection of beneficiaries, in the design of land reform projects and the general lack of post-settlement support, and is compounded by a continuing failure to monitor the profile of people entering the programme and the impact on the livelihoods of intended beneficiaries. This is not to suggest that some relatively poor people have not benefited from land reform, and may even have found a way out of poverty, but that this is not the usual outcome and it unlikely to become so under current policies.

In a survey of southern African land reform programmes, Chimhowu (2006: 2) concludes as follows:

“... although there is political appetite for deracialising land holding, there is little evidence to show a commitment to link this process to poverty reduction. In all three countries under investigation – Namibia, South Africa and Zimbabwe – policy rhetoric on land as a poverty-reducing asset often has not been followed through with a serious commitment of resources, either for enhancing access to land or for supporting those that have been ‘assetted’ …[A]lthough some poor people have had their lives transformed by access to more land in the short term, there is no systematic linkage between the programmes for land reform in the region and poverty reduction.

There is a growing awareness within the South African literature that much official policy is not only ineffective, but is actually hostile to the rural poor. Seekings and Nattrass (2005: 353) speak of the ‘unintended consequences’ of liberalisation and deregulation of the agricultural sector, which has led to consolidation of holdings, more capital-intensive forms of production and a fall in agricultural employment, particularly a shift from full-time to part time, seasonal or casual employment. Even those policies designed to protect farm workers and farm dwellers, such as the introduction of a statutory wage and legal protection against arbitrary eviction, they argue, have contributed to these regressive processes, leading to further cuts in employment and an increase in evictions.
Kirsten, May et al (2003: 39) similarly highlight the failure to use agricultural policy to alleviate poverty:

While the plight of the rural poor in South Africa is better now than a decade ago, the agricultural sector has not been allowed to play the important role that it should in the fight against rural poverty. Government needs to reverse the decay in agricultural infrastructure, and refocus efforts in support of poor and disadvantaged farmers.

Land reform in South Africa is driven largely by arguments of historical redress, with a welfarist subtext, but the radical-populists who espouse this position have not developed economic arguments to support their cause, and have not (with few exceptions) engaged in technical arguments around the design of land reform projects or the provision of post-settlement support. This can be seen as a continuation of the very broad demands of the pre-1994 liberation movement, but also as a consequence of the long-term marginalisation of small-scale farming in the country and the failure of authentic voices of the rural poor and landless to find space within the political discourse. The fact that economists and agricultural specialists, almost without exception, have thrown their weight, behind market-based land redistribution has further polarised the debate between the ‘politicals’ and the ‘technocrats’.

While the neo-liberal camp appears to have won the argument for market-based acquisition of land, they have been roundly defeated when it comes to arguments for small ‘family-sized’ farms, as demonstrated most clearly by the failure to subdivide large properties. This leaves the modernist-conservative element – determined opponents of radical land reform or pro-poor restructuring of the agricultural sector – as the greatest influence over the land reform programme, as evidenced by the entrenched official opposition to subdivision and ‘alternative’ (i.e. subsistence or less-commercial) land uses. As a result, land reform has been reduced largely to a deracialisation of landholding, in favour of a small black ‘elite’ that increasingly resemble their white counterparts, against a background of numerous failed failing collectivist experiments and ongoing landlessness and rural poverty.

There is thus a compelling case for a thorough review not only of land reform policy, but rural development and economic policies more generally, if they are truly to address the challenges of chronic poverty and inequality. This is only likely to occur, however, on the basis of a major mobilisation of the rural poor and landless in order to influence the policy-making process in a way that has not occurred in South Africa since 1994.
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