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Land Reform at Scale: A Case Study of Land Redistribution in Elliot District, Eastern Cape

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1 Introduction

The Eastern Cape Land Reform Office (ECLRO) of the National Department of Land Affairs made a strategic decision several years ago to prioritise a cluster of magisterial districts, including Elliot District, for land redistribution. The combination of higher rainfall below the Drakensberg Mountains, and close proximity to the communal areas of the Transkei, was thought to create favourable opportunities for land reform. ECLRO anticipated a high demand for land reform in the area. This proved to be correct. Elliot District stands out as one of the districts with the largest number of redistribution projects in the country. Based on DLA's data on delivery, over 14% of Elliot District's commercial farming area had been redistributed via land redistribution between 2001 and 2005.[1] In addition, there have been at least two older redistribution projects in Elliot District (based on the old Settlement/Land Acquisition Grant), and at least one restitution project on agricultural land.

This report summarises the findings of a short-term study of land reform in Elliot District. Recent research on land reform in South Africa has tended to either look at scattered case studies (HSRC 2003a, HSRC 2003b, ECARP 2003), or has consisted of a broad-brush overview (PLAAS 2003, Aliber and Mokoena 2003). The idea behind this study, by contrast, is to develop a comprehensive understanding of how land reform functions in a particular area, i.e. Elliot, both to analyse how successful land reform projects are in their own right, and to establish how they affect and are conditioned by the local rural economy and agricultural sector.

The idea of a study of land reform in Elliot District was originally suggested by the ECLRO. The suggestion is largely motivated by the fact that Elliot District presents an unusually good opportunity to research the effectiveness and impact of land reform at scale. First, it allows one to study a large number of land reform projects that are relatively close to one another. Second, it is an opportunity to study a significant success story in terms of delivery. And third, because of the unusually large scale of delivery relative to the size of the district, it enables one to begin to examine the significance of land reform for the rural economy, which is not yet possible in most other parts of the country where land reform is taking place.

The downside of a district case study is that whatever district one chooses cannot be considered representative of all the other districts where land reform is taking place. The answer to this concern is twofold. First, the idea of a case study is not necessarily to be representative, but rather to be illuminating. Indeed, Elliot is not interesting because it is typical, but because of the particular respects in which it is unique. Second, the hope is that this study will serve as a pilot that can be replicated in other locations around the country, the better to understand land reform in itself, and land reform in relation to the goals of rural and local economic development. Indeed, two other studies currently underway are loosely modelled on the Elliot study,[2] and the hope is to undertake two further district/municipality case studies as soon as possible.

The study has also contributed to an international research project led by the Natural Resources Institute (NRI) at the University of Greenwich in UK (and supported by DFID's Central Research Department), which has investigated the case for area-based or territorial approaches

[1] The denominator (about 175 000 hectares) is taken from the 1993 *Census of Agriculture 1993: Provincial Statistics, Free State*, however a nearly equivalent figure can be derived from the Agricultural Research Council's land cover data.

[2] These are the studies by Greenberg and Eveleth of Maluti-a-Phofung Local Municipality in the Free State, and by Kleinbooi, Lahiff and Tom of Theewaterskloof Local Municipality in the Western Cape.

to land reform, whereby a coherent strategy is devised for a defined geographical space, and appropriate institutional arrangement are defined that can give effect to such a strategy. This wider project incorporates a diverse group of case studies, of area-based or territorial approaches to land reform, including Makhado Municipality in Limpopo province, South Africa, and a number of research sites in North Eastern Brazil.

Research objectives and research questions

The research project had six main objectives:

- To understand what accounts for the fast pace of land reform delivery in Elliot District;
- To ascertain whether the scale of delivery in Elliot District has implications for the delivery process, including institutional arrangements;
- To contribute to our understanding of how well land reform projects are performing;
- To establish the extent to which land reform is leading to a net creation of livelihoods;
- To establish the extent to which land reform is stimulating the rural economy and/or aggregate production; and
- To examine local trends in the commercial agricultural sector, particularly in agricultural employment, and understand how land reform is contributing to and/or compensating for these trends.

A further objective, which derives from the study's participation in the broader study of land access and territorial development, was to consider how far the experience in Elliot District may offer lessons for a more systematic planning and organisation of land reform on an area basis as regards improving both the pace of land transfers and its impacts on the local economy in terms of employment and livelihood opportunities.

The Elliot case-study is appropriate to this wider study in two ways. First, as suggested above, to some extent the ECLRO did pursue a territorial development approach (though they did not call it that), at least in respect of developing a strategy to focus and accelerate land transfers. And second, regardless of the intention of government or other role players, the concentration of land reform projects in Elliot has direct implications for the area-based/territorial approach, in so far as that approach must take cognisance of the economic and support implications of land delivery at scale.

Methodology

Due to budget constraints, the methodology that was originally envisaged for this study was somewhat simplified and reduced. In short, the study involved four main components:

- *Census of land redistribution projects* – To establish how many people are involved, how many people are actively involved, what they are doing, what they were doing before the project, what was happening on the property before it was sold, and changes

in land use. Altogether, 42 projects were visited, of which one was a Settlement/Land Acquisition Grant (SLAG) project and the others Land Redistribution for Agricultural Development (LRAD) projects.

- *Interviews with commercial farmers* – To understand trends in the commercial agricultural sector, including in respect of labour shedding, as well as to benchmark commercial land use in relation to which LRAD projects can be compared. Twenty interviews were conducted, representing approximately half of the commercial farmers in Elliot.

- *Interviews with former owners who sold to land reform* – To understand why land owners sold, how they sold, and to acquire more information on past trends in commercial farming in the area. Twenty interviews were conducted.

- *Focus group discussions in beneficiaries' places of origin* – To determine what is happening in communal areas that farmers have left. Three FGDs were conducted.

These fieldwork components were complemented by a modest amount of reference to secondary sources, as well as interviews with a number of key informants.

2 Policy perspectives – land reform, the rural economy and livelihoods

It is clear that South Africa's land reform has always encompassed both economic and social objectives, and both of these in turn are intrinsically important as well as being part of the overall process of historical redress. What is less clear is whether and how land reform – and redistribution and restitution particularly – are meant to meet its economic objectives.

The economic arguments for land reform are complex and contentious. Probably the most widely cited economic argument in favour of redistributive land reform is that smaller-scale producers are more labour-using and more productive per unit of land. Therefore, land reform that entails carving up large estates into smaller units promises to increase labour absorption generally while also contributing to greater aggregate production. However, the empirical literature suggests that smaller farms are not always more productive, particularly in environments where prospects for intensification are modest.[3] An alternative economic argument is that redistributive land reform is one of the few mechanisms available to many governments to increase the economic self-sufficiency of poor rural households. Even if such redistribution results in no net increase or even a modest decline in aggregate production, the overall benefits in terms of reducing the incidence of economic marginalisation and associated social problems may be significant. The question that often vexes governments in this regard, however, is *which poor* should benefit, and in terms of what kind of agriculture? Redistributive land reform in Southern Africa, for example, has struggled to find a satisfactory balance between very poor households for whom land redistribution realistically offers only a hope of augmenting semi-subsistence production, and less poor households for whom land reform promises the opportunity to become fully-fledged, medium-scale commercial farmers.

The assumptions about the link between land reform and rural development in South Africa are largely untested. The intellectual rationale for concentrating on the promotion of emerging black commercial farmers, which is the predominant focus of the recently revised land redistribution programme, was expressed in one of the background papers to the ISRDS (Integrated Sustainable Rural Development Strategy). As explained in this background paper, a key original tenet of the ISRDS was that by resolving inefficient factor distortions (i.e. addressing the excessively capital-intensive, labour-saving nature of commercial farming in South Africa) and harnessing growth linkages, redistribution can "catalyze widely shared growth" in the rural economy (K. Brooks *et al*. 2000). In other words, the establishment of commercial black farmers can serve as the engines of growth in the rural economy. Whether or not this is true will only be known when land reform has had a chance to operate for some time and achieve an appreciable scale.

The fundamental question is whether an aggressively pursued land reform results in a net creation of livelihoods, or rather a net decline. One perspective is that the continual loss of farmworker jobs is a rationale for increasing the pace of land reform. An opposing perspective stems from the observation that land reform itself is aggravating the loss the farmworker jobs (e.g. Simbi and Aliber 2000), and that this effect could in fact outpace any new livelihoods that might be created through land reform. The former director of the Eastern Cape Land Reform Office, Michael Kenyon, observed that "At this stage in the unfolding of the national land reform programme there are few if any practical insights into the full social, economic and institutional implications of land reform once the target of 30% is approached."

[3] See Sender and Johnston (2004) for a lively, if sometimes caustic, review of the literature.

However, the pursuit of agricultural land reform is also confronted by a worrying irony, namely that there is evidence of widespread land *under*-utilisation in former homeland areas where the majority of rural blacks reside. For example, a recent study of livelihoods in two communities in former Ciskei found that in one community only 20% of those with arable land cultivated it, while in the other community only 28% did so (Monde, 2004). What is unclear at this stage is whether the factors that account for this apparent pattern of land under-utilisation may also have implications for the prospects of redistributive land reform.

Although the focus of the present report is on the implications of land reform for livelihoods and the local economy, there are two ancillary policy issues upon which the study seeks to cast some light. First, in addressing the research question as to what accounts for the rapid pace of land reform delivery in Elliot, one must necessarily investigate the interaction between the land redistribution programme and the land market. One way of posing the question is as follows: why, given the apparent consensus that the willing-buyer / willing-seller approach to land redistribution is one of the main impediments – if not *the* main impediment – to redistribution, does the land market in Elliot appear to have been so conducive to land redistribution? The point is not whether the case of Elliot invalidates the apparent consensus against willing-buyer / willing-seller, but whether it helps us understand this interaction better. More such case studies are needed across the board, including both areas in which the land market is conducive as in Elliot, and those in which it is not.[4]

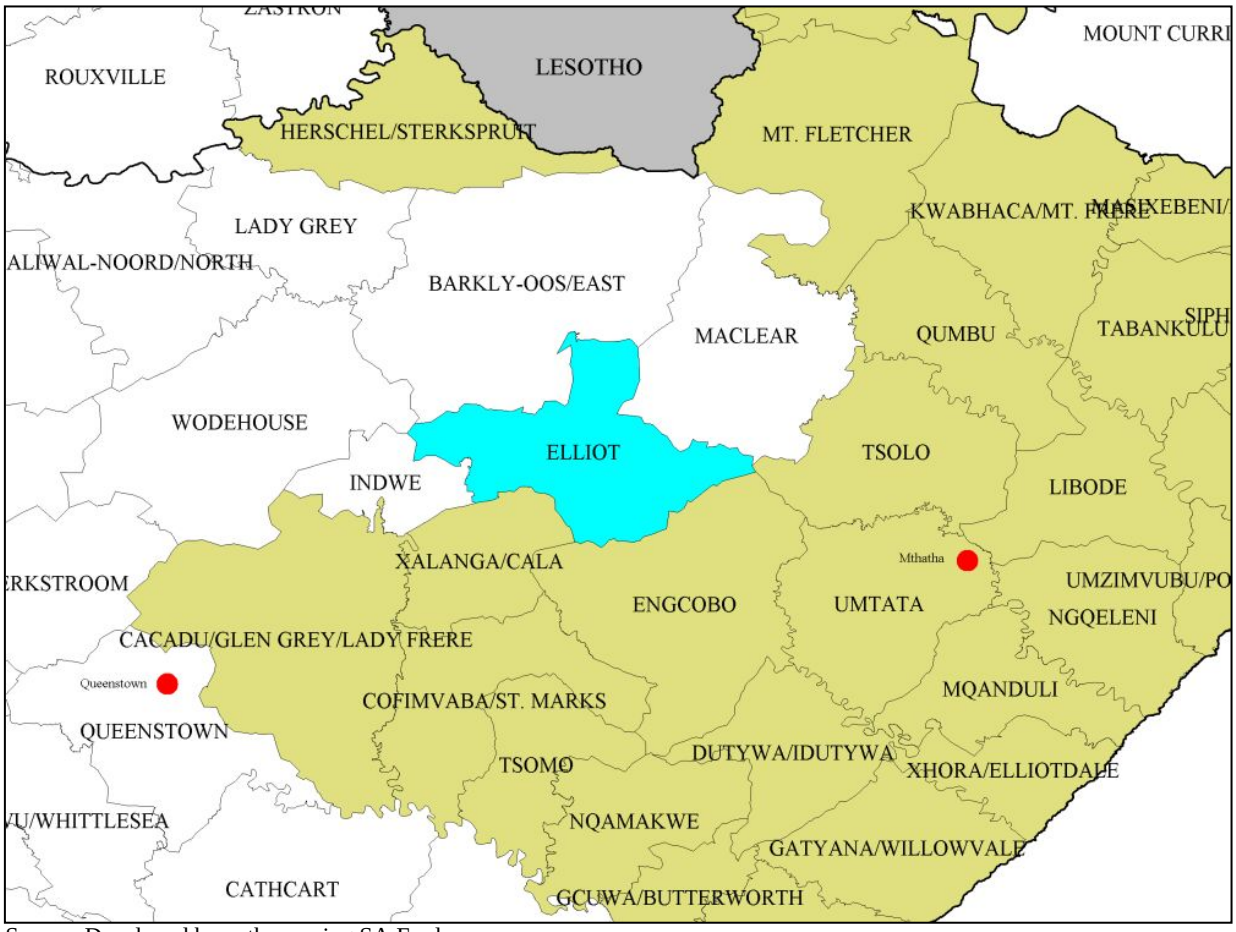
The second policy issue is that of the spatial mode of planning, delivery and support, i.e. pertaining to the theme of territoriality. In terms of policy discussions in South Africa, what most readily comes to mind is the perennial debate about the prevailing demand-led approach to land redistribution, versus alternative approaches involving 'supply-led' or 'pro-active' land acquisition. For its part, government has been saying for a number of years that it would seek to venture into pro-active land acquisition as a means of accelerating delivery and, perhaps, ensuring the right land is acquired at the right cost. For reasons that are not our main concern at present, significant endeavours along the lines of supply-led or pro-active land redistribution have not materialised. At any rate, the demand versus supply-led quandary is but one dimension to the broader question of whether area-based or territorial approaches to land reform should be embraced. Elliot District can be construed as an example where an area-based approach paid off handsomely in terms of redistributing land; however, by the same token, it has raised the question about the administrative implications of rendering support on a commensurate scale.

[4] One of the few if not only area-based case studies of the land market in relation to land reform is that of Tilley (2005).

3 Overview of Elliot District and Sakhisizwe Municipality

The southern border of Elliot District lies some 160 kilometres due north of East London, and the northern border lies about 50 kilometres south of the South African-Lesotho border (see Figure 1). Immediately to the north of Elliot are the magisterial districts of Barkly East and Maclear, the former of which comprises foothills of the Drakensberg/Malutis and is almost exclusively used for extensive sheep farming. Immediately to the south of Elliot are the magisterial districts of Cala and Engcobo, which are former Transkei (districts that are predominantly located in former Transkei are shaded), and as such are relatively densely populated. Farming in Elliot District is dominated by livestock farming, however, more than half of all commercial farms pursue some kind of mixed farming also involving arable cultivation.

Figure 1: Location of Elliot District

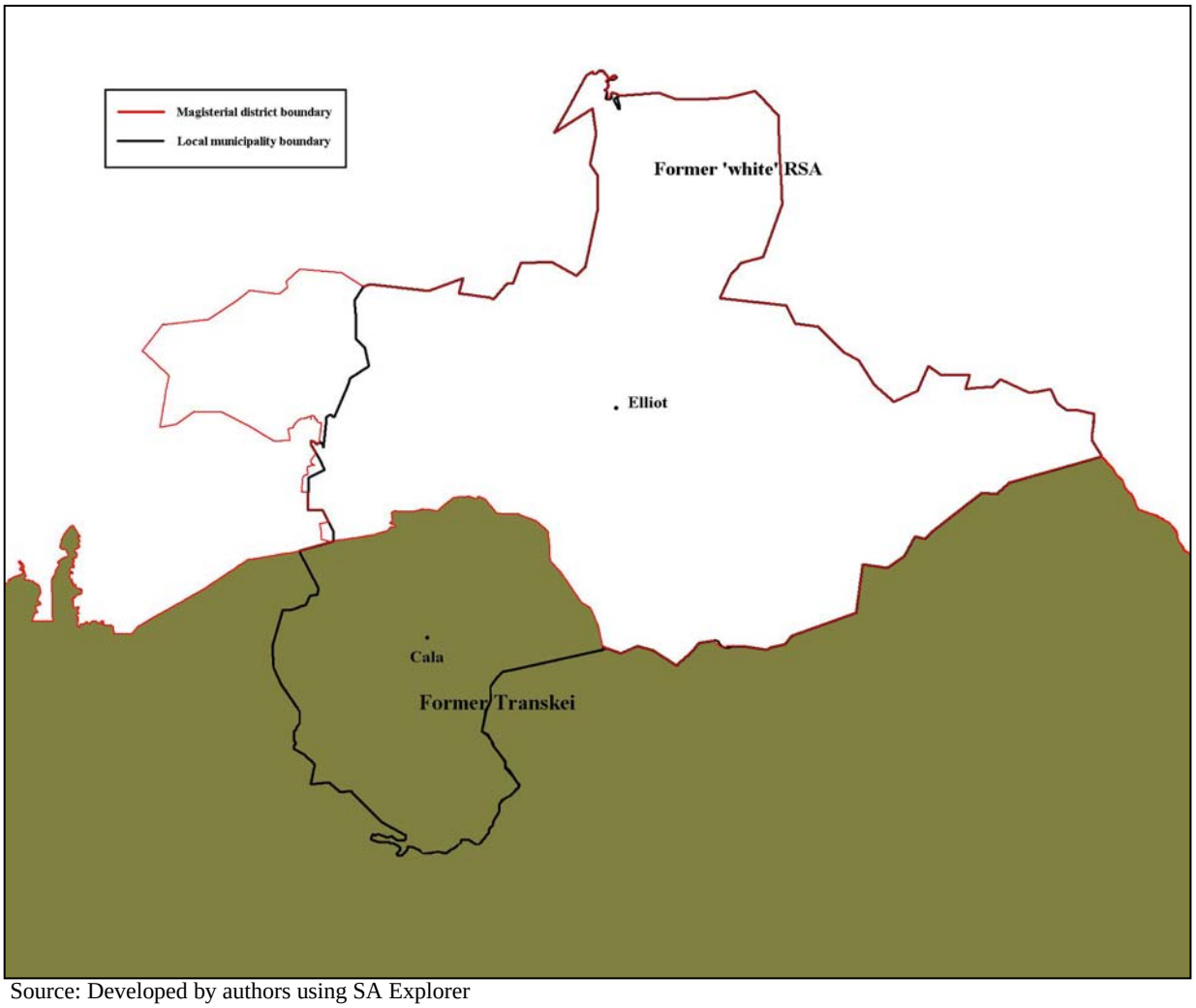


Source: Developed by authors using SA Explorer

It is not altogether clear why magisterial districts as such have traditionally been used by the ECPLRO to designate space, for instance to organise delivery statistics. It is not that this is how the ECPLRO divides up responsibility among its regional offices, for example, which tend to be more aligned to the boundaries of district municipalities. However, there is certainly some logic to it: firstly, magisterial districts are very nearly the same (in boundary and name) as the registration divisions which are used by the cadastral system to identify the location of land parcels; and secondly, to the extent one of the main functions of the ECPLRO is to undertake land redistribution, then in so far as magisterial districts tend to be either former white South Africa, or former homeland, then one can conveniently and meaningfully speak of 'white' magisterial districts where redistribution is meant to take place.

However, the reality is that magisterial districts are not the primary structure of local governance, which of course is rather local municipalities. Most of Elliot District falls within what is now the local municipality of Sakhisizwe, however the western part of the district is part of another local municipality, and the southern part of Sakhisizwe is carved out of the magisterial district of Cala, i.e. former Transkei. Figure 2 shows these partially overlapping boundaries, as well as locates the towns of Elliot and Cala, which are the main population centres in Sakhisizwe.

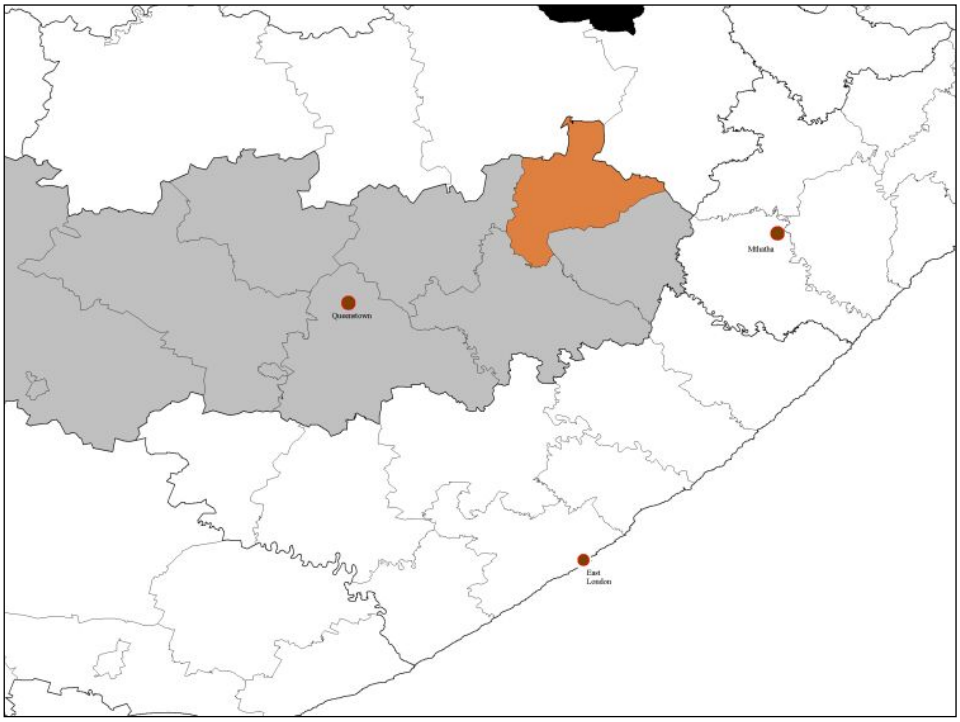
Figure 2: Composition of Elliot District versus Sakhisizwe Local Municipality



Source: Developed by authors using SA Explorer

Sakhisizwe Local Municipality in turn forms part of Chris Hani District Municipality, the seat of which is in Queenstown (Figure 3).

Figure 3: Location of Sakhisizwe Local Municipality in relation to Chris Hani District Municipality



Source: Developed by authors using SA Explorer

The 2001 Census recorded a total population in Sakhisizwe of 54 029 people, up 7.9% from the 1996 Census. Between 1996 and 2001, the total black population (Africans and coloureds) increased by about 9%, while the number of whites declined by about 15%. Between 1996 and 2001, therefore, the ratio of black to white residents increased from 53:1 to 68:1. Meanwhile, it is evident that the economy of Sakhisizwe – and by extension of Elliot District – has not thrived. Although between 1996 and 2001 the total number of employed people increased from 5 562 to 5 945, the number of unemployed people increased more quickly such that the unemployment rate rose from an already high 47% in 1996, to 55% in 2001. As for whether land reform may have played a role in these demographic and economic changes, the answer is almost certainly no just by virtue of the fact that most of the land reform in the district occurred after 2001. As for whether the rapid pace of land reform may have later contributed in some significant way to demographic shifts within Elliot, as will be discussed in a later section, the answer is still almost certainly that it did not.

4 What accounted for the rapid pace of land reform in Elliot?

Based on unpublished data compiled by the Department of Land Affairs as of November 2005, the extent of redistribution in Elliot District is as shown in Table 1. The figures are not entirely consistent, in that they combine redistribution under the old SLAG with that via LRAD, such that for 1999 the 'total number of beneficiaries' actually refers to households, while thereafter it refers to individual grant recipients. Also, the 'up-to-dateness' of the data is unclear – the apparent drop of delivery in 2005 could be an artefact of incomplete data, but probably not entirely, a question to which we return momentarily. But irrespective of these issues, the rapid pace and acceleration of delivery between 2002 (effectively when LRAD was introduced) and 2005 is astonishing.

Table 1: Redistribution transfers in Elliot District, 1999-2005

Year approved	Number of projects	Number of beneficiaries	Number of hectares	% of commercial farm area (cumulative)
1999	2	56	991	0.6%
2002	12	86	4 234	3.0%
2003	25	159	9 836	8.6%
2004	26	197	10 508	14.6%
2005	2	22	613	15.0%
Total	67	520	26 182	15.0%

Source: Department of Land Affairs, Directorate: Monitoring and Evaluation, unpublished data.

What did the ECLRO do, if anything, to realise such a rapid pace of land redistribution in Elliot district? Are there characteristics of Elliot that made it especially conducive to land redistribution? What are the prospects for land redistribution to carry on in Elliot at this pace, for instance to achieve 30% of the total commercial farming area? We rely on a variety of sources of information to attempt an answer to these questions: key information interviews, interviews with current and former commercial farmers, and data from the Deeds Registry.

From the perspective of the ECLRO, it was obvious that the demand for land in and around Elliot was very strong. The issue therefore was how to make land available. According to the Queenstown branch of the ECLRO, a deliberate two-part strategy was adopted to directly address the 'resistance' of land owners in and around Elliot: first, targeting senior members of Agri-EC who happened to farm in the area, and second, holding public meetings to explain to the farming community what land reform was about. The Queenstown office attributes much of the success in the Elliot area to the fact that ultimately a number of leaders of the farming community became personally involved and committed. One of these was a man farming near Dordrecht who was formerly the president of Agri-EC (the main provincial commercial farmers union in Eastern Cape), and who is still active within the organisation and the commercial farming community generally. This individual formed a joint venture with seven of his workers.[5] The Queenstown office avers that this in itself had a sort of demonstration effect to other commercial farmers in the area, as though helping to release the pent-up supply of land. Another was the Agri-EC officer in charge of the union's land reform desk, who farmed in Indwe, and in 2002 sold his property to land reform and left the Eastern Cape and

[5] Ironically, although he took pains to publicly support the idea of joint ventures (his own enthusiasm stems in large part from the productivity-enhancement he observed when his erstwhile employees became co-owners), not one of the many LRAD projects in Elliot followed this route.

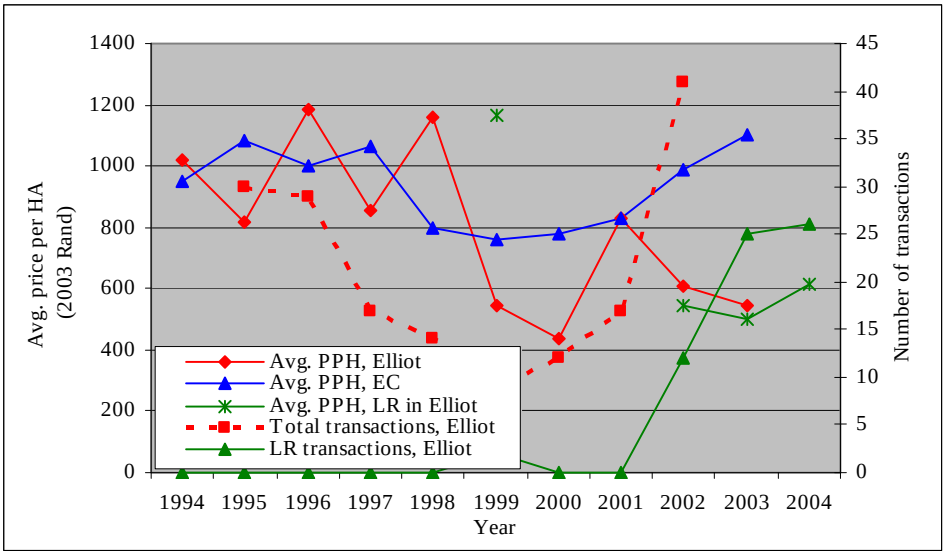
farming altogether. Both of these men agreed to speak at community meetings and farmers' association meetings, and generally promote the cause of land reform.

As for why this strategy worked so well for Elliot, there are two main views. The one is that, more so in Elliot than in other areas, there was a level of acceptance among white farmers that land reform had to happen. This in itself had different explanations. One respondent cited the fact that Elliot had already seen a number of blacks acquiring land outside of land reform, so that whites were already relatively accustomed to the idea of a changing racial ownership pattern. Another respondent stressed the fact that, in contrast to districts further to the West, there was a recognition in the white community of a strong historical claim to Elliot among blacks living in former Transkei – sometimes articulated as the drive to 'take back Tembuland.'

The other main view explaining the readiness of white farmers in Elliot to sell their land to land reform is that the cost-price squeeze in the early 1990s hit Elliot's farmers with particular force, owing not least to the fact that the predominantly sourveld grazing obliged farmers in Elliot to plant maize for winter fodder, a practice that increasingly became a financial liability.[6]

Whether or not there was 'resistance' to land reform among land owners in Elliot, and how great it was there relative to in other areas, is ultimately rather impalpable. On the one hand, there are signs that the "flush" of land reform projects in Elliot (to use the expression of one of the commercial farmer respondents) did in fact represent a venting of pent-up land supply. In the words of one of two estate agents interviewed in late 2004, 'Five years ago I had 50 000 hectares on my books; now I've got nothing.' On the other hand, it is not as though there were no market transactions of land prior to or outside of land reform. Figure 4 below shows market activity and price trends for Elliot District from 1994 to 2004, based on data from Deeds, as well as numbers and price trends of land reform projects, based on data from DLA. What is clear is that while land reform transactions accounted for much or all of the increase in the number of annual transactions between 2000 and 2003, they represented still only a share of those transactions.

Figure 4: Land market activity and price trends in Elliot District



Source: authors' calculations based on data from the Registrar of Deeds and DLA, Directorate: M&E

[6] L. Coetzee, personal communication.

What is also interesting about this graph is the trend in the average (inflation-adjusted) per hectare price. Although it is volatile, as one might expect for a small area such as Elliot, it is clearly declining since the late 1990s. What is most remarkable is that it declined between 2001 and 2003, even while there was a surge in market activity, partly owing to land reform. Does this prove that land reform does not push up land prices? Perhaps not, but it does demonstrate that, in an area of the country where land reform has been especially fast, land price inflation has not occurred. Moreover, the per hectare price trend in Elliot is in contrast to the trend for Eastern Cape as a whole, which was very much upwards during the period for which in Elliot it was downwards. (Similar graphs are presented in the Appendix for three of the magisterial districts neighbouring Elliot. The graph for Maclear is especially reminiscent of that for Elliot.)

If there was an absence of land price inflation, is this because Land Affairs was careful to negotiate would-be sellers down to their true reservation price? After all, as even members of the commercial farmer community in Eastern Cape admit, land owners are apt to ask excessive prices when it comes to 'selling land to government.' The evidence from Elliot is surprising. The 20 commercial farmer sellers interviewed were asked what their initial asking price was as well as what was their actual selling price. In all instances they sold at their initial asking price. One interpretation is that they all started with reasonable asking prices, thus there was no need to negotiate them down. A more plausible interpretation is that they were not subjected to the sort of bargaining pressure that they would likely have had they been trying to conclude a purely private sale. This latter explanation appears to be the case. According to a member of the Eastern Cape Department of Agriculture who, while working on a donor-funded development project, assisted the ECLRO in various ways, there was for a while a process of overt 'matching' between sellers and buyers. This individual would value farms (generally using the comparable sales method) identified as available by their owners, while simultaneously assessing the purchasing power of applicant groups, i.e. taking into account their assets and likely ability to secure loans. Applicant groups were then matched to farms that they could afford – or vice versa. Notwithstanding this rather administrative approach to moving land through the market, the puzzle is that this did not seem to contribute to general land price inflation, whether among land reform projects in Elliot, or land market transactions in Elliot generally.

To conclude this section, we touch on the reasons sellers to land reform sold. Of the 20 sellers interviewed, three were compelled to sell by virtue of these being successful restitution claims. The other 17 were therefore 'normal' sales to redistribution. Interviewees were allowed to indicate more than one motive for selling; most mentioned only one, but a few mentioned two, such that the total 'number of mentions' among these 17 respondents came to 20. The results are as shown in Table 2:

Table 2: Reasons for selling among sellers to land reform

Reason for selling	Number of mentions
Retirement from farming	6
Financial reasons	6
To consolidate	5
Stock theft	2
Violence	1

Although this sample is small and not reliable in a statistical sense, it provides some evidence that land reform in Elliot benefited on the whole from normal motives for wanting to divest oneself of land. This supports the notion that land reform may tap into a pent-up supply of

land, but that this pent-up supply is limited, because the number of land owners at any given point in time to whom these motives apply is itself limited. (Notably, the seller who sold on account of violence is the widow of a man who was murdered, thus it is not due to general apprehension about security.) The sentiment expressed by numerous respondents in Elliot, in the words of one commercial farmer respondent, is that 'we're down to the core,' i.e. those who see themselves carrying on farming in Elliot for the foreseeable future, either because they have no other option, or because they have decided it's what they most want to do. Land reform facilitated the process whereby land owners less committed to farming – including those at the end of their careers, as well as those who were no longer able to farm profitably – got out.

What now? That is not clear. Based on what we have learned to date, the prediction would be that land prices would begin to rise, not least in response to further demand for land reform. That is, having exhausted the supply from 'non-core' farmers, one would have to pay more to get land. Confirming or refuting this prediction would help us check our understanding. At this stage, one would want more data from Deeds and from the ECLRO on redistribution, as well as perhaps returning to Elliot to re-interview estate agents and others. But one could also imagine a more in-depth research effort just on this issue of land supply.

5 The situation of land reform beneficiaries

The questionnaire was administered to representatives of 42 projects, in particular those that had been settled as of mid-2004. As such, the survey excluded projects that were settled in late 2004 or 2005 (cf Table 1). Only land redistribution projects were included, of which one was an older project effected in terms of the Settlement/Land Acquisition Grant (SLAG), and all the rest in terms of the Land Redistribution for Agricultural Development (LRAD) programme.

The aim of the study was to investigate the current situation at these projects: what are the beneficiaries doing on the newly-acquired land? Are they coping? What support systems, if any, are available to them? A major limitation of the exercise however is that many of the projects had been transferred very recently, thus there was a limit as to what one could say as to how well they were functioning.

Project membership

The details of project membership are depicted in Table 3. Membership ranges from 1 to 51, with the large project of 51 not surprisingly being for the older SLAG project. A key objective of the survey was to establish how many different households were represented on a project, as well as how many individuals/households were *actively* involved in their project. In terms of determining the number of households, a simple scheme was developed whereby in filling in the membership roster of the questionnaire, the first member listed was designated as a member of household 'A', while the next member listed was either identified with the same household, or with household 'B', and so on. As for who is and is not an active project member, the criterion adopted was that the member must visit the project at least once per month. An 'active household' is therefore a household in which at least one member is an active member of the project.

Table 3: Membership in the Elliot District land reform projects

Members per project	Number of projects	Total members	Active members	Female members	Active female members	Distinct households	Active households
1	3	3	1	0	0	3	1
2	3	6	6	2	2	3	3
3	3	9	9	4	4	3	3
4	3	12	12	2	2	7	7
5	7	35	11	18	9	16	6
6	1	6	6	3	3	1	1
7	4	28	6	10	3	10	3
8	2	16	15	6	6	15	14
9	4	36	11	17	4	9	5
10	3	30	14	12	8	15	5
11	1	11	1	4	0	3	1
12	3	36	19	12	5	30	15
13	2	26	10	13	6	7	6
14	1	14	0	8	0	5	0
25	1	25	5	14	1	9	4
51	1	51	0	0	0	51	0
Total	42	344	126	125	53	187	74

A number of reasons, some of which will be discussed later on, have led to having only about a third (126 out of 344, or 37%) of the members being active in their projects. Women members represent 36% of all members, and about 42% of women members are active.

The 344 total members represent a total of 187 distinct households. Excluding the 51 households that are members of the single large SLAG project, there are 136 distinct households among the remaining LRAD projects, of whom 74 (54%) are active in the sense described above. There are eight projects that do not have a single active member or active household. These are typically situations where the project members have hired a herder (seemingly usually someone known to them already from near where they stay in the Transkei, and thus not someone already residing in Elliot) who looks after the livestock on the project land.

Land choice

There are many reasons why respondents chose a particular farm or piece of land. The majority had been attracted by good rangelands, good quality soils and water availability. The others had worked on the farms (permanently or casually) or had relatives working there who informed them about the land being for sale. The rest had nothing particular that had attracted them, but had no choice, as the land was the only one available, so they took it because they wanted to farm.

A number of reasons were given for the previous owners' selling the farm: relocation (Durban, Johannesburg, East London, Qamata), old age/poor health, debts, insecurity/isolation from other white farmers or Elliot town (and as such fearing being murdered), other business interests, land degradation, poor infrastructure, no successor (old age or death). By and large, the perceptions of the beneficiary respondents match the responses of the sellers who had been interviewed separately.

Land use, investment and farming income

The various forms of land use at the projects are given in Table 4. The sizes of project land ranged from 135 to 1055 hectares, with most of the land being suitable for livestock grazing. Only one project has cultivated pastures, while another one has a forestry area from which they are producing timber.

Table 4: Land use at the different projects

	Arable	Grazing	Pastures	Timber	Other
Total hectares	2559	11 327	15	4	12
Respondents	31	33	1	1	1
Range	4 to 661	8 to 800	na	na	na
Average	83	343	na	na	na
Average % used	11%	93%	na	na	na

At the time of the fieldwork, only 16 of the 31 projects had planted some crops on their arable lands. (Note that the fieldwork was conducted from December 2004 to March 2005.) The area planted was very small compared to the total arable lands indicated in Table 4 (2 to 73 hectares versus 4 to 661 hectares), with an overall average of only 11%. Some projects are solely for arable crop production but nothing had been planted, e.g. Qina Family CC and Hopewell, while

some had planted just 5% of their land, e.g. Lukhalanathi. In terms of use of grazing resources, on the other hand, the picture is very different. Quite a number of projects (n = 34) had cattle on their land, ranging from 4 to 225 animals, while small stock ranged from 7 to 1000, in 31 projects. Such a wide ranges in stock numbers is related to grazing area and what the main enterprise of each project is. Based on stocking rates that obtain for white commercial farmers, the utilisation of grazing land among beneficiaries is around 93%, which is a reflection of the fact that most beneficiaries already have livestock, and that input costs do not pose such a barrier.

Only two projects had taken out loans since getting the land, to buy livestock and as capital for farm operations. About two-thirds have had to make some renovations to part of or their entire fencing since getting the land. Two projects indicated getting governmental donations (five rolls of wire and poles for one and 18 rolls of wire for the other) while the rest had to sell some of their livestock to buy the fencing material, spending between R300 and R8 800.

Fourteen projects (about one third of all projects) have bought machinery, mostly tractors with implements, while two also bought a van each. Implements bought included: ploughs, planters, a fertiliser spreader, mower and boom sprayers. (One project allegedly bought three tractors, though it's a family project with only 20ha arable land.) The amounts spent on machinery ranged from R1 000 to R250 000, for 13 projects.

Only four projects indicated spending money on irrigation, with one family spending R100 000 to secure equipment left by the previous owner. Another project spent R39 000 on an engine, while the remaining two spent R360 and R5 000 on irrigation pipes.

Of the 16 projects that had made renovations or erected new buildings on the project land, 13 had spent money on residential buildings while 3 had spent it on both residential and farm buildings (shed; engine room). Their expenditure ranged from R300 to R45 000.

The overall picture that emerges is that LRAD (and with it the Comprehensive Agricultural Support Programme, or ‘CASP’) serves as a vehicle to recapitalise farms. Whether they are recapitalised sufficiently is difficult to say, but judging by the conditions on these farms that prevail even after these investments, it is highly doubtful. One logical conclusion is therefore that the extent of material support for LRAD farmers must be much greater than it presently is, that is, *if they are to have a chance as commercial concerns*. While this would seem to be true at the level of a project, whether it is logical or inevitable overall represents a more difficult policy question.

For 2003/04, gross income from crop and livestock sales ranged from R0 to R68 000. Table 5 provides a breakdown, first in terms of the number of projects achieving various income levels, and then in terms of income per active project member.

Table 5: Gross income, 2003/04

Gross incomes	Per project	Per active member
R0	45%	51%
R1-R10 000	20%	26%
R10 001-R30 000	18%	17%
R30 001 +	18%	6%

Roughly half of the projects registered no income in the 2003/04 year, though it must be remembered that some projects might have still been in the process of getting on their feet at that stage. Of the projects that did register some income, about half provided R10 000 or less per active project member. Whether this is a lot or a little is an arbitrary judgement. Depending on the frame of reference, however, it is not bad: the annualised value of an old age grant for that year was around R8 500, while the annual cash income of a full-time farm labourer working at the minimum wage was around R6 240 for that area, assuming employers applied the rule that allows 20% of the wage to be paid in-kind. However, two caveats are required, firstly that the figures in the table refer to gross income, not net income (i.e. net of input costs), and secondly that the food security benefits of own-consumption are not reflected in any of these figures.

Settlement

There were two projects in which no beneficiaries were staying on the land, while in the rest a range of 1 to 12 people were staying there more or less all the time. In one of the two, there were however 10 other people staying on the farm. About two thirds of the farms had labourers living on those farms when the previous owners decided to sell. These ranged from individuals to families of five to ten members. About a third of these workers have since joined the projects of land reform beneficiaries on the various farms. Another third left with previous owners while the rest are still on some farms due to arrangements with the current owners (looking after previous owner's livestock; looking for land; still building own house elsewhere) or because it's against the law to expel them from the land.

Most (81%) of those staying on the land use water from rivers/streams, 14% use water from the tap/reservoir while one respondent uses a water tank. Very few people (19%) have electricity on their land, though presumably under their previous ownership most of these properties were in fact reached by the grid. About half of the people (48%) use pit toilets, while almost a third (31%) uses the bush, 14% use flush toilets and the remaining 7% use a combination of pit and flush toilets.

According to the municipality, upgrading services to land reform beneficiaries on widely dispersed farms is beyond its present capacity. As for maintaining the roads that link farms to the main routes through the district, many of these are not proclaimed roads, thus the government does not have responsibility for them in the first place, although the municipality also recognises the need to improve its road maintenance capacity generally, and anticipates creating a ‘roads department.’

Satisfaction with land reform

There were many reasons that made people happy, which included good grazing for livestock and land ownership. Livestock numbers had increased a lot and was said to be in very good condition. Some indicated that since getting the land they felt free to keep as many animals as they pleased, without any restrictions. These could be ex-farm workers who had been staying on their employers’ properties, where they were restricted to keep only a certain amount of stock. Although they could have been seen as part of the ill-treatment most farm-workers endured in the past, these restrictions were part of grazing management, which had helped in keeping the grazing lands in good condition. It would be beneficial for the sustainability of

these projects, for beneficiaries to be made aware of the importance of good management of their resources.

Very few projects were positive about their future, due to poor infrastructure (especially fencing, irrigation equipment, access roads) on the farms and lack of equipment/implements, which were major concerns of beneficiaries. There was also mention of the following constraints: workers left behind by previous farm owners; wattle trees, which were said to be expensive to control and were spreading all over; stock theft; people not motivated to farm though they had applied and got grants to buy the land. As has already been seen elsewhere with the land reform projects, beneficiaries just get land without any support system in place to ensure their sustainability.

6 The commercial farming sector

Understanding the contribution of land reform in Elliot District requires that one also consider the changes in the agricultural sector outside of or apart from land reform. The main area of concern is the direct contribution of the commercial farming sector to livelihoods through the creation of farm employment. A secondary consideration, and one that will not be touched on at this stage, is the (relative) contribution of the commercial farming sector to the local economy via production and consumption linkages.

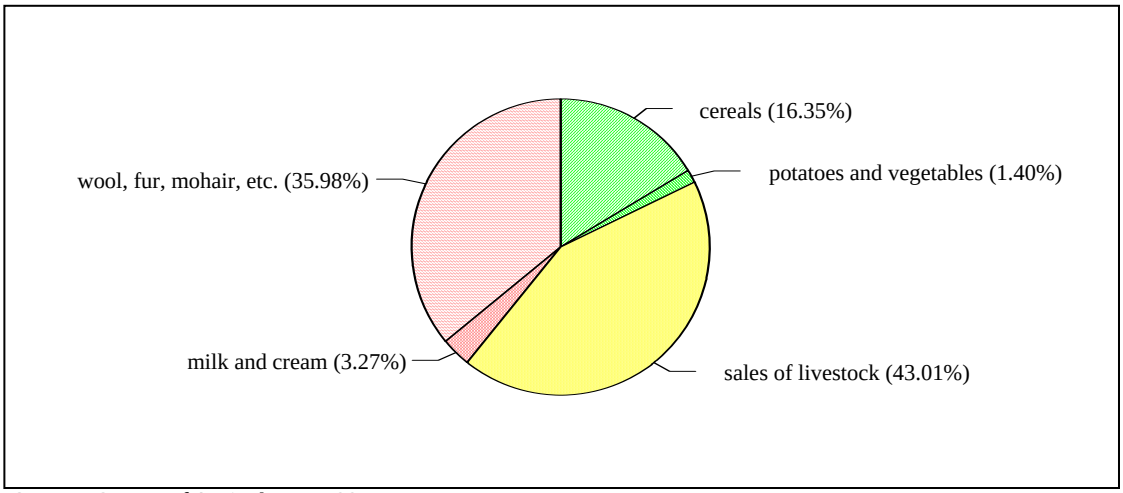
Trends in the commercial farming sector were approached in various ways, including through key informant interviews, interviews with current and former commercial farmers, and using secondary sources.

Qualitatively, the nature of these changes is fairly clear. First, as elsewhere in South Africa, there has been pattern of property consolidation, whereby the number of farmers and operational units declines while average farm size and average hectares per farmer increase. In Elliot, it may be that the number of farmers has dropped faster than the number of operational units: given the relatively small property sizes, and the diversity of agricultural conditions within a relatively small area, most farmers who are still active in Elliot manage more than one distinct operational unit, and most manage three or four. (A point that was not emphasised in Section 4 was that land reform has assisted some commercial farmers to consolidate, meaning selling farms that are further from their other operational units, sometimes in favour of acquisitions of other farms that are closer; see Table 2.) The pattern of consolidation has perhaps been especially rapid in parts of Elliot where a scheme had been established to settle war veterans as a reward for their service. These properties were especially small, and thus were especially prone to being sold and amalgamated with neighbouring properties.

Second, there has been a trend since around the 1980s of intensification, especially in terms of adding or expanding field crop production, sometimes but not usually under irrigation. The motive for this was simply the need to improve farm incomes. However, with the later demise of the marketing boards, the riskiness of crop farming was felt more keenly, so that some farmers decided to more or less relinquish field crops. To maintain incomes, this exerted further pressure to expand, leading to further consolidation. At the same time, problems with theft of sheep started to grow to such an extent that most stock farmers switched in favour of cattle, which are less susceptible to stock theft.

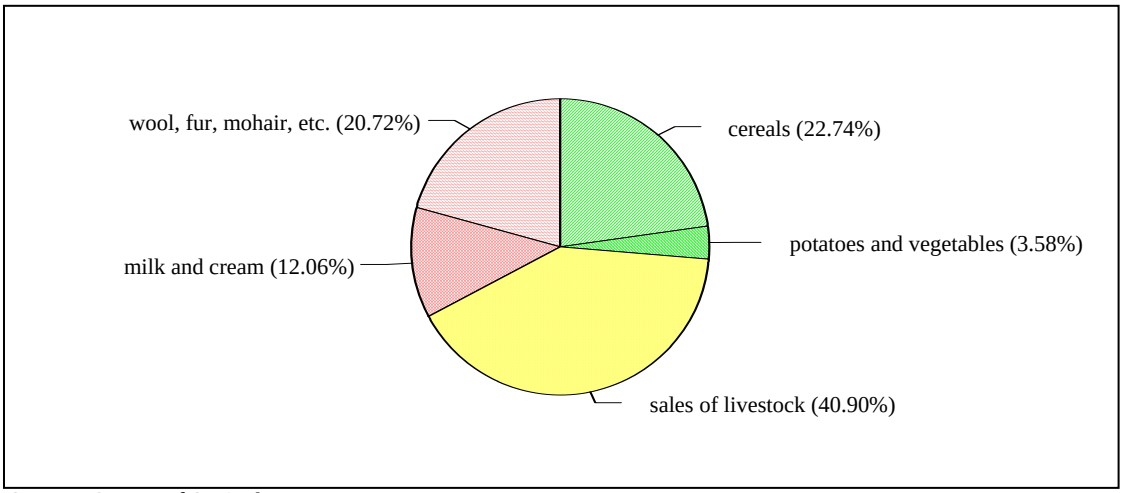
To some extent, this picture is supported by the data from secondary sources, such as the 1988 and 1993 agricultural censuses. (Unfortunately, data from the 2002 agricultural census is not yet available below the provincial level.) Figures 5 and 6 show the composition of agricultural output by main categories; the shift in only five years in favour of field crop production is clear, though even so as of 1993 the bulk of agricultural product was still related to livestock. The shift away from wool is particularly dramatic.

Figure 5: Composition of agricultural output, by value share; 1988



Source: *Census of Agriculture 1988*.

Figure 6: Composition of agricultural output, by value share; 1993



Source: *Census of Agriculture 1993.*

Also according to the agricultural censuses, between 1988 and 1993 the number of operational units declined from 141 to 136. Although this is a mere 3.5%, is it nonetheless quite a lot for only five years. But it is unclear how much importance to attach to these numbers, not least because of the difference between 'farmers' and 'operational units' as discussed above. Arguably it is trends in respect of the 'farmers' that is more interesting. At present, we do not have a solid figure as to how many (non-land reform) commercial farms there are in Elliot District, but a reasonable figure based on different sources would be about 40. The fact that there are as many land reform projects in Elliot as there are established commercial farmers is perhaps something to ponder, notwithstanding the fact that the latter still operate about 90% of the land.

In terms of farm employment, between 1988 and 1993 there was a 16% drop. In many parts of the country, farm employment is subject to large year-on-year fluctuations depending on agricultural conditions, thus one should not read too much into this figure. To the extent much of this drop is real, it most probably relates to the decline in casual employment associated with the sheep shearing cycle. Presently, there appears to be very little casual or seasonal farm employment in Elliot, but this was not always the case.

One of the exercises conducted for this study was a survey of current commercial farmers. Twenty farmers were interviewed in all. It must be stressed that this was not a random sample in a strict sense, however given that these farmers represent about half of all commercial farmers in Elliot, it is not a stretch to suggest that they are nonetheless fairly representative.

One part of the questionnaire for the commercial farmers required the respondents to recall basic facts about their land holdings, production patterns, and employment levels going back several decades. The picture that emerges of consolidation (in the loose sense of the term) is striking, as represented by the amount of resources collectively commanded by these 20:

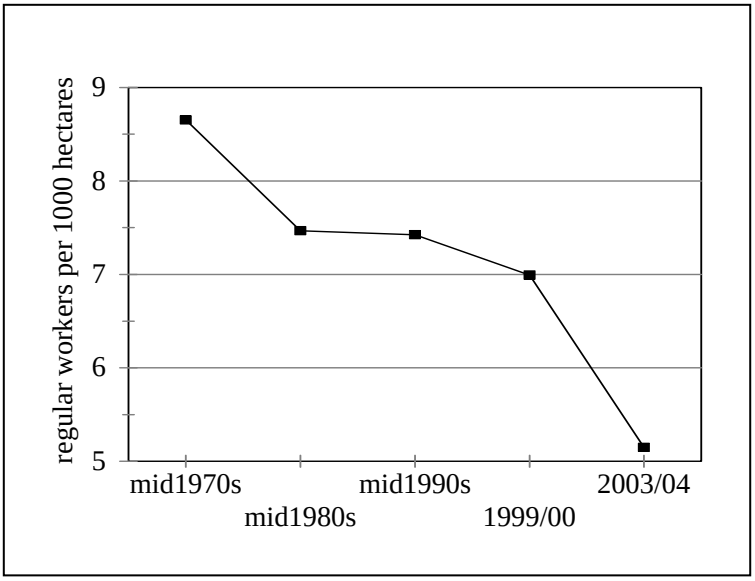
Table 5: Trends in farm numbers and farm area controlled by the sample of twenty commercial farmers

Period/date	Number of farms	Number of hectares	Number of hectares arable
mid1970s	27	13 172	4 010
mid1980s	38	18 617	4 810
mid1990s	50	25 048	5 425
1999/2000	73	31 037	7 258
2003/04	82	34 377	7 938
% change mid-'70s to 2004	204%	161%	98%

The fact that the number of farms controlled by this group of 20 has increased more than the area of land, suggests that a disproportionate number of the acquired properties are below-average in size. The fact that the number of hectares controlled has increased so much more than the number of *arable* hectares could imply that expanding farmers have been especially keen to augment the land at their disposal for grazing; crop farming is recognised as highly risky, and quite often is merely a complement of livestock production.

Examining trends in the total number of people employed by these 20 farmers is not interesting in itself, since the area farmed has generally increased to such a great extent. Our approach is therefore to estimate a trend in the 'intensity' of farm employment, defined for our purposes as the number of regular workers per 1000 hectares. Figure 7 illustrates:

Figure 7: Estimated trend in the intensity of farm employment, 1970s to 2004



The decline is dramatic indeed. Assuming that the 20 commercial farmer interviewees are more or less representative of Elliot's commercial farming sector overall, and assuming that the commercial farming area of Elliot has stayed more or less constant over this period (in fact it has shrunk somewhat, due mainly to a spasm of homeland consolidation in the mid-1980s, and more recently due to land reform), it implies that regular employment in agriculture has declined by 40% since the mid-1970s. This in an area where farm employment has traditionally been one of the most available ways of securing a livelihood, however problematic. Noting that the time intervals making up the horizontal axis are not uniform, the decline between 1999/2000 and 2003/04 is especially worrying.

What accounts for the precipitous drop in employment since 1999? The commercial farmers who were interviewed tended to highlight the same issues with which one is generally familiar: the sectoral determination (minimum wage), the feeling of uncertainty associated with the new dispensation, the Extension of Security of Tenure Act, etc. Much of this can be lumped under the rubric of a farmer-unfriendly labour relations environment. As one farmer put it, 'It's like you're marrying them [one's workers], but you can't divorce them.'

All this may well be true, but it is interesting to note the process by which the labour shedding tends to happen. It is not so much a process of reducing one's own labour force, but of: 1) not taking on farm workers who have been employed on farms that are acquired; and 2) not increasing one's own labour force as the amount of land under one's control increases. To the extent this is true, the consolidation process plays a large role in the decline of farm employment.

Be that as it may, using the farm employment intensity estimates presented above, we can now estimate the current number of farm workers in Elliot for 2004, and then juxtapose this to the figures for 1993 and 1988 from the respective agricultural censuses (Table 6). The estimate for 2004 is 'without land reform,' in the sense that it simply applies the farm employment intensity figure estimated for Elliot for 2004, to the total commercial farming area in Elliot, as though land reform had not taken place.

Whether the estimate is accurate or not is very difficult to say. Hopefully the census data for 2002 will eventually become available such that estimating as such is not necessary. Until then, one must conclude that the number of farm workers remaining in Elliot as of now – relative to the economically active population for Sakhisizwe for 2001 of over 13 000 – verges on trivial. (The 2001 general population census does have a figure of 1 020 for the number of individuals employed in Sakhisizwe in the 'agriculture/forestry/fishing' industry, up from 979 for the 1996 census; however these figures must be treated with caution, since they do not distinguish between formal sector employment and informal sector self-employment.)

Table 6: Inferred trends in number of farm workers

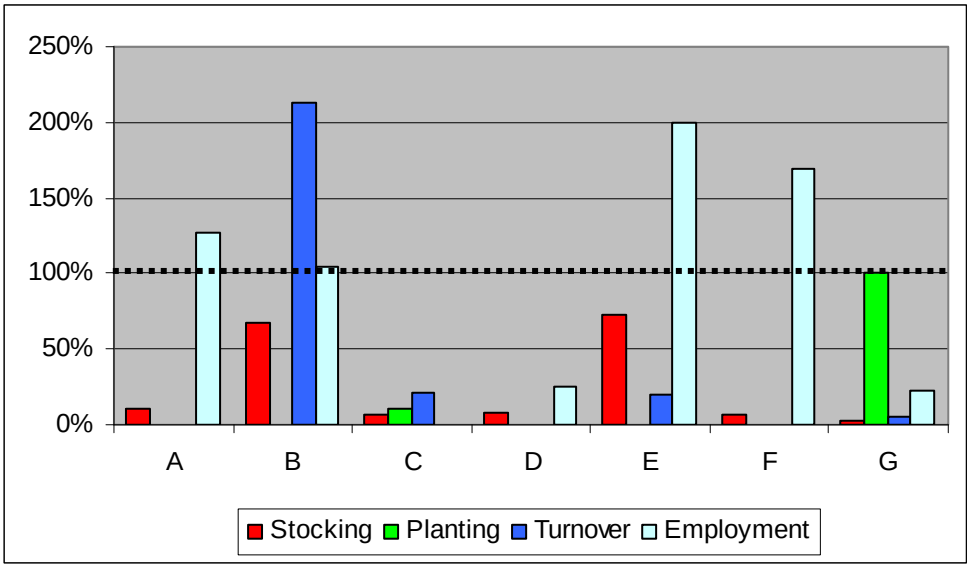
Year	Total farm workers
1988 (Agric Census)	2246
1993 (Agric Census)	1887
2004, without land reform (authors' estimate)	850

7 Assessing the net implications of land reform for Sakhisizwe and beyond

What is the net impact of land reform in terms of creating, or maintaining, livelihoods in Elliot, Sakhisizwe, and beyond? At this stage, we can answer this question only crudely, whereby 'livelihoods' are treated as homogenous things, rather than allowing for the fact that some types of livelihoods might be more satisfactory than others. The strategy is to start narrowly – looking first at the implications of land reform for Elliot District only – and then to enlarge the focus to include Sakhisizwe as a whole, and then beyond.

In terms of the implications for Elliot itself, we focus initially on a subset of properties for which factor use and turnover could be confidently compared before and after transfer to land reform beneficiaries. There were seven such properties (identified as A through G in the figure below). Where a bar is higher than the 100% line, then the property under land reform exceeds the previous owner (in the few years immediately prior to transfer) in terms of that factor use or performance measure. The picture that emerges is mixed but points clearly in one direction. Employment, as one might have expected, is often higher under land reform, but not necessarily so, and moreover most other factors are applied less intensively. Some of these shortfalls are almost certainly temporary – e.g. stocking rates for example are quite low on land reform projects relative to pre-transfer, but would be expected to rise and exceed 100% as beneficiaries build up their herds. Turnover is generally far below what prevailed under the previous owner, with the exception of Farm B, which very likely is explained by the fact that Farm B had become moribund in the period immediately preceding transfer.

Figure 8: Relative factor / turnover intensities of farms post and pre transfer



To the extent agriculture as a sector has spillovers into the local economy, it is evident that these would have grown more subdued post transfer. The possible exception would be if land reform beneficiaries tend to market locally rather than straight into national marketing networks. While there is anecdotal evidence to the effect that land reform beneficiaries are sometimes able to excel in marketing their products locally, the evidence from Elliot land reform beneficiaries, at least as of late 2004 / early 2005, was that they were barely marketing at all.

Taking all of the surveyed projects together, we focus more intensively on employment, or what we refer more broadly to 'livelihoods.' Table 7 shows the basic tallying of net livelihood

creation for Elliot. An assumption is made that the number of livelihoods created through land reform is equivalent to the number of active members. Admittedly, this is a problematic assumption in at least two ways. First, it is of course possible that there are non-active members who derive a benefit from a land reform project, such as those beneficiaries who re-located their livestock to their LRAD-acquired land, but who rarely set foot there. The reverse side of the coin is that there may be numerous active beneficiaries who in fact benefit very little, though the assumption is that over time those who do not benefit will decide to cease being actively involved. Notwithstanding the deficiencies of this measure, introducing a more appropriate measure would be difficult.

Another shortcoming of this approach is that it makes no distinction between the farm worker jobs lost, and those gained, even though it appears that those lost involved far higher remuneration, and even security, than those on land reform projects.

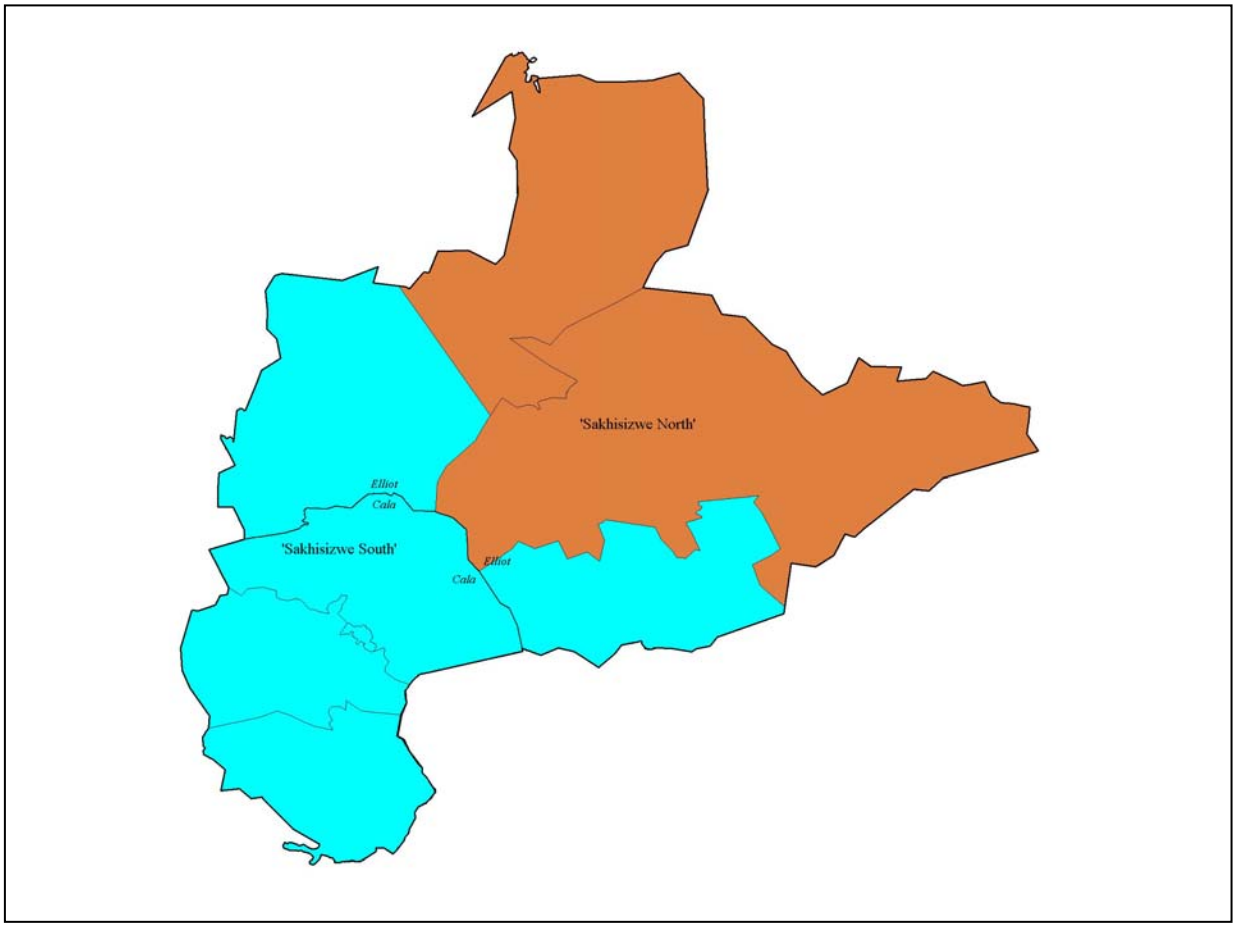
Notwithstanding these concerns, the table provides a first-cut estimation of the net creation of livelihoods on the 42 redistribution projects covered in the study. In includes a hypothetical adjustment for the number of farmworker jobs that would have been lost of the land had they not been transferred to land reform; this is based purely on the employment intensity ratio applied to the quantity of land transferred to land reform. The net result is a creation of 132 livelihoods. Given that these 132 livelihoods are what is created when 10% of the land is transferred, a simple calculation is then made that three times as many livelihoods could be or would be created if the 30% target were to be achieved for Elliot.

Table 7: Rough tally of actual and theoretical net livelihood creation in Elliot

New livelihoods - active beneficiaries - hired regular workers	 130 60
Farm worker jobs lost	90
Net	100
Adjust for farm worker jobs that would have been lost	32
Net 2	132
Extrapolate to 30% target?	396

Notwithstanding possible concerns about the solidity of these estimates, the question then is, is 132 / 396 a lot or not a lot? To get a sense of these, we put these figures in context using figures and trends for Sakhisizwe from the 1996 and 2001 censuses. In principle, it would have been helpful if the census data had allowed one to distinguish between the part of Sakhisizwe belonging to Elliot, and the rest. However, the wards that comprise Sakhisizwe are not divided up this way, thus we draw a cruder distinction between what we call ‘Sakhisizwe-North’ (comprising wards 1 and 3) and ‘Sakhisizwe-South’ (comprising wards 2, 4, 5 and 6). Sakhisizwe-North is entirely within Elliot District, whereas Sakhisizwe-South contains all of the non-Elliot part of Sakhisizwe, as well as part of Elliot as well (see Figure 9).

Figure 9: Artificial distinction between ‘Sakhiwizwe-North’ and ‘Sakhiwizwe-South’



Unemployment figures for Sakhisizwe are shown in Table 8.

Table 8: Unemployment trends in Sakhisizwe

Area	1996	2001	Change
Sakhisizwe-North	1 610	2 445	+ 835
Sakhisizwe-South	3 269	4 757	+ 1 488
Sakhisizwe	4 879	7 202	+ 2 323

Thus one way of assessing the significance of the 132 livelihoods ‘created’ to date through land reform, or the 396 implicit in the 30% target, is against these figures. Quite crudely, in Sakhiswe-North, 396 livelihoods represents 16% of the total unemployed in that area in 2001, or 47% of the increase in unemployment there between 1996 and 2001. Obviously the percentages would be lower if one restricted one’s attention to the 132 livelihoods associated with the amount of land actually transferred as of 2004, but from this perspective, land reform would appear to have the potential to make a real impact. It cannot solve the unemployment problem, but it can go a long ways towards containing the worsening of the unemployment problem.

On the other hand, 396 livelihoods represents 5.5% of the 2001 total unemployed for Sakhisizwe as a whole, or 17% of the increase in unemployment in Sakhisizwe between 1996

and 2001. Thus even if it is laudable that livelihoods were created, their number does not begin to keep pace with the increase in unemployment taking place at more or less the same time.

Recalling now that in fact the majority of LRAD beneficiaries do not come from Sakhisizwe at all, but rather from Engcobo, the situation looks still less encouraging. In 2001, the number of unemployed in Engcobo was around 15 000 (representing an unemployment rate of 69%); adding these to the unemployed in Sakhisizwe, the 396 net livelihoods represents less than 2% of the unemployed from the area served by land redistribution in Elliot.

Of course these figures do not tell the whole story. One must also ask, what are the welfare implications for those households in former Transkei who remain behind, but who presumably have access to more grazing by virtue of the fact that land redistribution has enabled the relocation of some stock from Transkei to Elliot? Here out research methodology was still in its infancy, but focus group interviews conducted with communities from which land redistribution beneficiaries came suggest that these benefits are indeed felt. How great they are has not yet been determined.

8 Lessons for the territorial approach to land reform

On the theme of territorial approaches to land reform, what lessons does this study of Elliot District provide for the more systematic planning and organisation of land reform on an area basis in terms of improving both the pace of land transfers to the poor and landless, and their impacts on the local economy? The implications are mixed.

In terms of the delivery of land transfers, the ECPLRO has demonstrated a potent area-based approach to delivery. The approach exploited two elements. First, it focused on an area where both land supply and demand were known to be strong, the former because of particularly acute experience of the cost-price squeeze, and the latter due to the proximity of the area to the former Transkei. These characteristics are not universal across South Africa, but neither are they unique. The second element relates to the role of intermediaries in facilitating agreements between sellers and buyers, which on the one hand allowed the 'pent-up land supply' to find vent with relative ease and speed, but on the other hand, arguably, short-circuited the market mechanism, such that sellers were never argued down in price and should theoretically be the case.

Notwithstanding this success, the initiative to target Elliot District for more systematic application of the LRAD programme was not matched by an area-based assessment or strategy as to what land reform could or should accomplish economically for Elliot/Sakhisizwe. This was reflected in the fact that agricultural production and marketing support to beneficiaries, as well as the planning for infrastructure and social services provision, were not well coordinated with the successful land delivery strategy in Elliot, nor was this linked to actions to promote local economic development within or surrounding Sakhisizwe.

At the level of local government, Sakhisizwe Local Municipality can be faulted for not taking more cognisance of land reform in Elliot, most of which falls within the municipal boundaries.[7] However, as municipal officials rightly point out, it is not clear that land reform is actually a priority, either for the people of Sakhisizwe, and still less for the municipality itself. This in turn is related to three reasons: first, the municipality does not have the budget or other resources to provide services (not least roads) to relatively remote, sparsely settled land reform farms; second, there remains under-utilised land within the former Transkei part of Sakhisizwe, which is obviously closer to the population, and the greater use of which would have more immediate and widespread welfare benefits; and third, a large share of the land redistribution beneficiaries in Elliot come from the non-Sakhisizwe part of former Transkei, in particular Engcobo, seemingly diluting the municipality's sense of responsibility for prioritising support for these land reform projects. A further issue here is that although DLA attempted to include former commercial farm workers as far as possible in land reform projects, this was only partially successful. No government programme or agency takes full responsibility for this group, in terms of retention within the farming sector or availability of alternative livelihoods, or collects data about them.

At the level of provincial and district planning, government faces difficulties in coordinating support to agricultural development with land reform. A workshop to review the findings of this study held with provincial and district authorities in Eastern Cape in November 2005, noted that there are structural problems in coordinating different departments and levels of

[7] The 2002 Integrated Development Plan says only the following about land related issues in Sakhisizwe: "Land issues are increasingly becoming a problem. Almost all the settlements require additional land for both urban expansion and for commonage purposes. Funding for land acquisition remains the biggest problem" (SETPLAN, 2002:6).

government, despite acknowledging the need for a closer partnership between DLA and the Department of Agriculture. Because of problems like this, it has now been agreed that of the DLA-hosted District Steering Committee and the Department of Agriculture's committee for assessing applications for grants from CASP are to be collapsed into one.

There is a need to look at the institutional arrangements – both internal and for external support – for these projects. The historical background to the present institutional arrangements is that DLA resources come from national level, while agriculture is organised at provincial level but without adequate resources.[8] Municipalities were established with very little capacity. All these three parties have tended to prioritise their own somewhat parochial institutional agendas, and to protect their own resources to meet their statutory and bureaucratic responsibilities, which are not well aligned

In relation to the IDP process, as currently structured, a critical issue is identifying the most appropriate geographical areas and levels of government for effective strategising, e.g. should it be at district or local municipality level, or something else entirely? An overview of supply and demand for land, in the context of local economic development (LED) needs and opportunities at the district municipal level, would clearly be advantageous in linking land redistribution to LED, but that process should be linked to capacity building at the local municipal level, at which more bottom-up, consultative plans are devised and delivered. At the study review workshop stakeholders recommended that development projects should be initiated locally, but screening and prioritisation for resource allocation should continue to take place at district level, with all the relevant municipalities involved.

As regards studies and investigations into the social and economic impacts of land reform, for example to inform integrated planning for economic development, the indications are that a wider area should be considered, not restricted to a single magisterial district (which is only one administrative sub-division of a larger former commercial farming area), but including beneficiaries' areas of origin and adjacent land reform areas.[9] To understand the economic impact of land reform programmes, it is necessary to consider the wider economic context, and the impact of land redistribution within the context of other economic developments. This requires an approach incorporating the territorial perspective of different actors, including the various different sectors and levels of government, land reform beneficiary communities, and commercial farmers and placing the local economy in its wider regional context.

[8] Funding for CASP originates with the national Department of Agriculture, and is apportioned to provincial agricultural departments; however, according to the senior agricultural official based in the Elliot office, by the time it gets to municipal level it is hugely inadequate relative to the perceived needs, e.g. to build up on-farm infrastructure.

[9] Unfortunately, the study's attempt to understand the impact of land reform on areas within former Transkei from which beneficiaries came, was not very successful. Three focus group discussions were conducted in communities from which project beneficiaries either relocated, or from which they relocated their livestock. The general impression gained was that the removal of livestock was indeed perceived as a positive development for those 'left behind,' but it was not possible to establish how significant, or widespread, this effect was.

9 Conclusions

The paper presents findings from a pilot study on land reform in a particular geographical space, namely Elliot District. The primary purpose of the exercise was to understand what are or might be the economic implications of land reform where delivery has been relatively advanced. It is a pilot study in that it was exploring a relatively new approach – at least in South Africa – to studying land reform, and thus in some respects the methodology was experimental and unrefined. It is also a pilot in that it has loosely served as a model for other area-specific land reform studies that have been initiated subsequently.

The findings in important respects are preliminary. First and foremost, at the time the fieldwork was conducted in late 2004 / early 2005, the land redistribution projects examined had almost all been settled very recently, thus it was premature to assess how well or poorly they were functioning, or indeed measure the number and quality of livelihoods they had created. On the other hand, this initial survey of projects almost certainly gives a good order-of-magnitude estimate of the number of livelihoods created, and as importantly a good estimate of the number lost. Also, it is hoped that this initial survey will form a baseline to further work on Elliot/Sakhisizwe; ideally, Elliot/Sakhisizwe could be the site of a longitudinal study of land reform, which is something that is sorely missing in South Africa. Given the concentration of land reform activity there, and the strategic location of Elliot/Sakhisizwe on the border of former 'white' South Africa and the former Transkei, it is ideal.

As for the findings from this preliminary exercise, there are reasons for optimism as well as concern. On the side of optimism, the story of Elliot is one of a successful, deliberate plan on the part of the Eastern Cape Provincial Land Reform Office to identify an appropriate place in which to accelerate delivery, and then to do exactly that. The fact that this was done wholly within the willing-buyer/willing-seller framework accentuates the fact that, notwithstanding the need to develop alternative land delivery strategies, some potent strategies actually do exist, if only we would learn how exactly they work and how to replicate them in other areas.

On the negative side, the study also hints at the limitations of the willing-buyer/willing-seller approach, and offers an analysis that has heretofore been absent, namely that land reform can be accelerated by tapping into latent land supply, but that this supply is limited, and probably too limited relative to the official land reform targets.

Also on the negative side, and at least as concerning, is the message that the net livelihood creation is simply too modest to make any significant impact on poverty or unemployment. This is true even taking into account what is probably the most significant trend in rural livelihoods at the moment, namely the loss of farm employment. While it might be true that the upsurge of redistribution in Elliot has had some impact in slowing livelihoods loss that would otherwise have occurred, the density of livelihood creation on redistribution projects is simply too small to make a great difference. This is especially poignant in light of the proximity of large numbers of unemployed people in neighbouring Transkei, from which most beneficiaries come.

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Appendix - Land market dynamics for registration divisions neighbouring Elliot District

Figure A-1: Land market activity and price trends in Barkly East

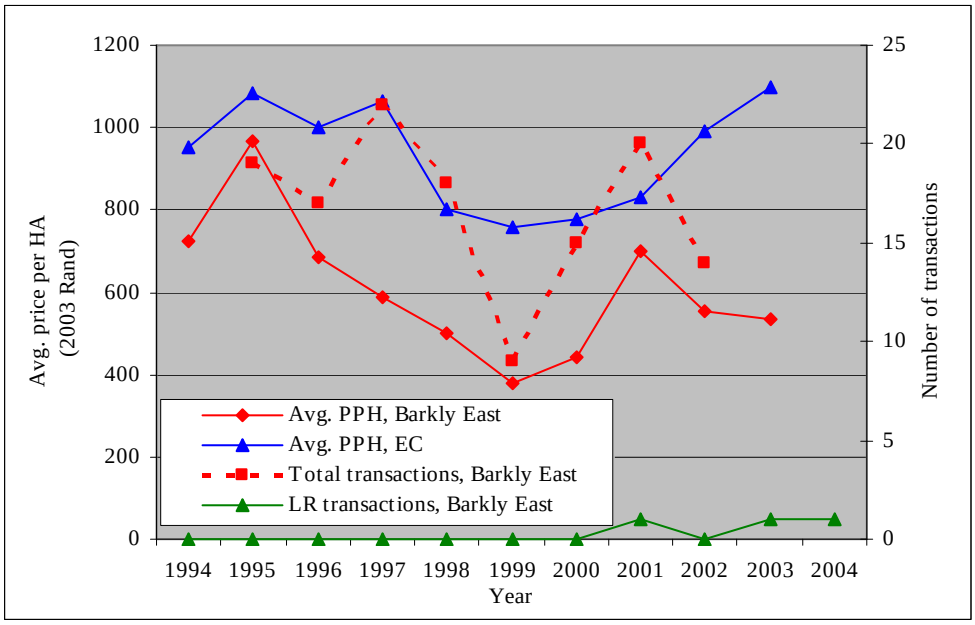

Figure A-2: Land market activity and price trends in Maclear

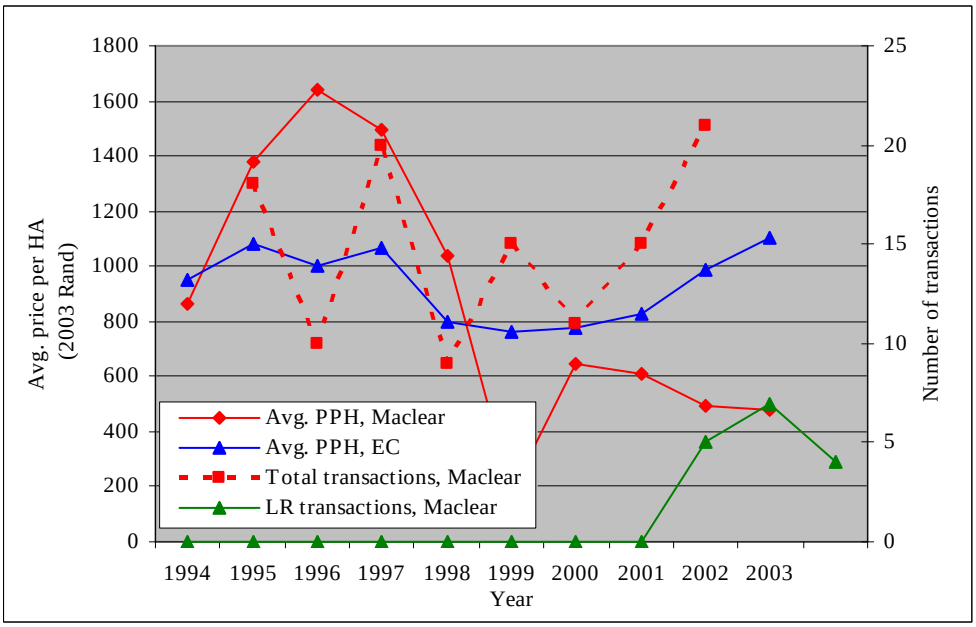

Figure A-3: Land market activity and price trends in Wodehouse