

Commentary

The Land Redistribution for Agricultural Development (LRAD) Sub-Programme: opportunity for or constraint to land redistribution, rural economic development and poverty alleviation?

Mokong Simon Mapadimeng

Introduction

Major challenges facing South African society today include growing unemployment in the formal sector of the economy and deepening poverty. They threaten to undermine democracy, social stability and the ability to compete globally. Since 1994, after the first general democratic elections, the ANC-led government has introduced a number of policies and programmes to eradicate poverty, give a better life to all citizens through provision of basic needs and creation of employment, stimulate economic growth, and compete in the global economic markets as captured in its 1994 election manifesto entitled *A better life for all – Working together for jobs, peace and freedom*. Amongst the programmes identified as being crucial is the rural development programme aimed at ending rural poverty through the provision of basic services such as water, clinics, schools, and electricity, and land reform.¹ Thus, amongst its policies developed and introduced to achieve its main objective is the 1997 White Paper on Land Policy. The main objective of the white paper is to address the land question in South Africa through the land reform programme consisting of three components ie land restitution, land redistribution, and tenure reform. As stated in the White Paper, the programme 'aims to contribute to economic development, by giving households both the opportunity to engage in productive land use and by increasing employment opportunities through encouraging greater investment' (see the White Paper on South African Land Policy 1997:7). Most research conducted to evaluate the performance of the land reform

programme under the 1997 land policy has however revealed only limited progress made towards achieving objectives. Varying accounts, which will be discussed in some detail in the next section, have been advanced to explain this slow progress. Although slow progress was registered in all three components of the land reform programme, the main focus of this paper will be on the redistribution component. However, where relevant, reference will be made to the other components of the programme, and in particular to tenure reform in the former homelands.

The choice to focus on the redistribution component is necessitated by the recent policy shifts on redistribution under the new political leadership in the Department of Land Affairs (DLA) orchestrated by Minister Thoko Didiza following the 1999 election. This paper provides a critical assessment of these shifts and their implications for delivery on redistribution objectives as well as the likely impact that this would have on rural poverty alleviation and economic development. The paper will start by first providing a review of the background to the post-1994 land policy in SA. Here attention will be paid to various perspectives and approaches proposed in the debates on land reform for a post-apartheid SA. The subsequent influence, if any, that these perspectives and approaches had in shaping the 1997 White Paper on Land Policy in SA and its ability to deliver on land reform objectives, and in particular on redistribution, is then discussed. This will be followed by an analysis of the post-1999 revised policy on redistribution with a view to determining whether or not it has drawn lessons from the experiences with the previous one, and the implications thereof. The question then asked is: is there a need for alternative strategies to speed up land redistribution process and if so, what should those be? As will be noticed, my view is that indeed there is a need for alternatives. Therefore discussion shifts towards land in the former bantustans and its potential role to enhance the achievement of land reform objectives. That also necessitates a review of debates on the rural land tenure question which remains unresolved.

A background to post-apartheid land policy in South Africa

The land reform programme, as outlined in the 1997 White Paper on SA Land Policy, has three main components, namely redistribution, restitution, and tenure. The redistribution component, with which this paper is concerned, is comprised of further sub-programmes. These are agricultural development (aimed to make land available to people for agricultural purposes), settlement (aimed to provide land for settlement purposes), and

non-agricultural enterprises (which aims to provide people with land for non-agricultural enterprises such as eco-tourism) (see the Executive Summary on LRAD, <http://land.pwv.gov.za/redistribution/lrad.htm>). In 2001, the Ministry of Land Affairs under the leadership of Minister Thoko Didiza, promulgated a revised policy on land redistribution known as the Land Redistribution for Agricultural Development (LRAD) sub-programme referring only to the agricultural development component of the broader redistribution programme. Of the two sub-components of the agricultural development component only the one that seeks to transfer land to individuals or groups for agricultural purposes applies (LRAD Executive Summary 2001:2).

This revised policy seems to have been necessitated by the apparent slow progress made in the delivery on land redistribution objectives since 1997 after the White Paper was promulgated, as well as the need to overcome some of the challenges identified as facing the redistribution process. For instance, in its 1999 Annual Report, the Department of Land Affairs (DLA), acknowledges that while some significant implementation progress has been made in the first few years of its existence in terms of the number of registered projects that have advanced through various stages, major challenges still lie ahead. According to the report, an amount of R79.8 million has been spent on registered projects that are in the post-transfer stage and R104.2 million has been committed to designated but not yet transferred projects. All this accounted for a total expenditure value of R184.1 million (see DLA Annual Report 1999:41). However, there is still a major challenge presented by the project pipeline for operationalising a capital expenditure on projects at implementable stage of almost double the amount available for the next two years of the period under review, estimated at R1.5 billion (DLA Annual Report 1999).

Having identified the project pipeline as a major challenge, and in view of the emotive nature of land issues and the urgency with which land reform needs to be addressed, the DLA explored other ways to fast-track the redistribution process. A strategic transformation workshop was held in 1998 from which a decision was taken to adopt a district-based land delivery approach, whereby a district would be prioritised as a vital point of delivery (Levin 2000:69). While Levin (a former chief director of implementation in DLA) agrees that a district-based land delivery approach sounds viable, he, however, cautioned against some of the obstacles which could inhibit progress towards the completion of the existing projects. One

of the major challenges identified by Levin (2000) is that of the poor record of, and often lack of popular participation in, district development plans and project implementation. He attributes this to, on the one hand, the highly prescriptive, complex, and disempowering procedures within the planning processes and, on the other, the use of the term 'beneficiaries' of land reform in describing those targeted for the land reform. The latter, he argues, tends both to estrange the 'beneficiaries' from their project and render them passive recipients of services delivered in a top-down fashion by the government. Hence, for land reform delivery to be speeded up and simultaneously to avoid the dangers of compounding the current situation through products or projects that do not match the needs of the 'beneficiaries' on the ground, the latter should become centrally involved in planning and implementation. Linked to this is the need to create district offices. Levin cautions that since the district office is planned to be modelled on the current provincial offices, it could display bureaucratic tendencies which may not resolve the lack of integration into district level planning and development processes.

It is worth noting, however, that what, in the eyes of Levin, the DLA's Annual Report, and agrarian expert Ben Cousins (*Mail & Guardian*, August 18-24, 2000) was a sign of progress in land reform implementation (ie both registered projects in post-transfer stage and those designated projects but not yet transferred), was however dismissed and viewed by other land analysts as a failure. Dithlake (1998), for instance, has argued that the slow pace of the land reform process signalled a crisis of delivery marked by few success stories. Dithlake's criticism was based on statistical reports which showed that by 1999 only eight per cent of the targeted 30 per cent of total commercial land in South Africa had been redistributed through the land reform programme. This essentially translates into a total of 667,285 hectares of redistributed land to approximately 52,068 households (Walker 2000, Mayende 2000). Acknowledging this slow pace, Cousins considered the first few years in which the land reform policy has been in place as constituting a highly valuable period of experience through which the DLA has learned painful lessons (*Mail & Guardian*, August 18-24, 2000).

Dithlake placed the blame for slow delivery on land reform and, in particular, land redistribution on, amongst other factors:

- the initial influence that the negotiated political transition, as well as external forces such as the World Bank, had over the policymaking

process and resultant land reform policy. This, he argues, undermined the concerns raised by poor rural communities during the DLA's consultative process;

- the absence of developmental resources or support mechanisms for productive usage of the land once transferred to the historically disadvantaged;
- the lack of appropriate institutional arrangements and framework to enhance delivery and implementation. (Note: the district level strategy is aimed at overcoming this constraint);
- the inertia of the market (given the market-based approach to land redistribution), which Dithlake argues is inappropriate, given the income inequalities resulting from the apartheid system and the general increase in land price levels. Between 1994 and 1998, land prices increased by a total of six per cent and in the latter year, further annual average increases of two per cent were projected (Dithlake 1998:11).

Dithlake's account of the failure of the land redistribution programme to realise progress necessitates a revisiting of the land policy debates of the early 1990s that formulated the background and framework within which the 1997 land policy was developed. The land reform debates in SA prior to the 1997 White Paper were characterised by ideological divisions between those who advocated a free-market approach and those who argued for a strong, active state interventionist approach to land reform. Amongst those who upheld the neo-liberal market-based approach were de Klerk (1990), the then National Party government in the form of its 1991 White Paper on Land Reform, the Development Bank of Southern Africa through its 1991 document entitled 'Agriculture and Redistribution: Growth with Equity Approach', and the World Bank through its 1993 Report entitled 'Options for Land Reform and Rural Restructuring in South Africa'. The first grouping tended to believe that the market mechanism must remain the primary tool for addressing the land question; in the repeal of apartheid land legislation to promote equitable access to opportunities and limited state intervention through affirmative action measures for the historically disadvantaged, in the retention and protection of agrarian property rights, in the promotion of black smallholders, in the deregulation of commercial agriculture, in a basic housing grant for the rural poor which could be extended by a matching grant to access land; and in a 'rural safety net' programme for poor families who could not afford entry into small

farmer programmes (see de Klerk 1990, Levin and Weiner 1993, Walker 2000).

Proponents of active state intervention like Budlender (1992), Bauman (1992) and Levin and Weiner (1993) dismissed the market-based approach as too conservative and not having the potential successfully to address the land question. For Levin and Weiner (1993) two areas needing to be prioritised by the land reform programme were property rights and the transformation of core white agricultural land. In their critique, they argued for a need to shift emphasis from concern with protecting the rights of current property owners towards addressing and advancing the rights of the property-less. As far as the core white agricultural land was concerned, they argued for a need to identify and isolate land of high quality as a target of redistribution. Levin and Weiner thus dismissed what they saw as the neo-liberal populist advocacy for black small farm development outside the core, which they argued would only serve to maintain the inherited racially skewed agrarian relations and undermine transformative land reform.

Amidst these raging debates, the African National Congress released its socio-economic policy discussion document in 1992 entitled 'Ready to govern: ANC policy guidelines for a democratic South Africa'. The document's land policy section called for the national programme of land reform and land redistribution through:

- the land claims court addressing issues related to land restoration and land rights, including ownership;
- affirmative action policy for the historically marginalised groups such as the landless, rural poor and women; and
- protection of property rights whereby compensation will be made for any expropriation of land, while taking into account the public interest and avoiding predominance of market forces (in Levin and Weiner 1993:4).

This discussion document came under strong criticism from those who supported strong state intervention, according to whom the document was riddled with contradictions and ambivalence. Note for instance Levin and Weiner's concern that while the document raised the possibilities of land expropriation, it could lead to the maintenance of the status quo since the idea of a just compensation is often calculated through consideration of market value criteria. The idea of public interest, they argued, could also

have multiple meanings that could result in the agrarian and urban bourgeoisies benefiting, especially via legal interpretations made through the courts (see Levin and Weiner 1993:4-5). This criticism was based on the view of Bauman as quoted by Levin and Weiner (1993) that the courts' interpretation of 'just' compensation is unpredictable and could be difficult to reverse. Similarly, Budlender expressed reservations about the courts' ability to adjudicate over disputes of conflicting priorities in the use of society's resources, since such priorities are essentially political (in Levin and Weiner 1993:11).

Notwithstanding these criticisms, the ANC went on to develop further its policy position on the post-apartheid land reform into the 1994 Reconstruction and Development Programme (RDP) document, a document it jointly formulated with its alliance partners, the SACP, COSATU, NECC and SANCO, as a future national policy framework. As stated in the RDP document, the process that led to its formulation was not restricted to the alliance partners but also included other vital agencies within South African society such as NGOs and research organisations (see RDP document 1994:1). The RDP's central objective was to eradicate the traces of apartheid and build a democratic, non-racial and non-sexist future. To this end the land reform programme was considered vital. The RDP saw land reform's role as serving rural development by prioritising the basic needs of rural inhabitants and as well as addressing the past injustices of forced removals, historical denial of access to land and ensuring security of tenure. Thus, from the RDP perspective, access to land was vital for providing rural populations with land for agricultural and residential purposes. Hence, the land reform programme was designed to be demand-driven (RDP 1994:19-20). As far as redistribution was concerned, the RDP's position was that its objectives would be achieved through a combination of market and non-market mechanisms where property rights of current land occupiers would be strengthened. Where expropriation would be used to achieve reform, compensation would be paid as provided for by the constitution (RDP 1994:20-21).

The increasing congruence in the ANC's later policy documents with the neo-liberal, market-based approach signals both contradictions and shifts in its post-1994 economic policy thinking. As Mather and Adelzadeh (1998) point out, prior to 1994 the ANC's policy thinking was in line with that upheld by the Macroeconomic Research Group (Merg), a research body that had close links with both the ANC and the labour movement led

by the Congress of South African Trade Unions. Merg's policy proposals called for fiscal expansion for social and physical infrastructural development, a 'balanced' monetary policy, and active state intervention in the economy (Mather and Adelzadeh 1998:25). This stood in sharp contrast with the approach that was advocated by the old government in the Normative Economic Model Report. That Report had called for fiscal discipline, strict monetary control, and a free market environment.

In 1996, the ANC-led government promulgated a national constitution which has, as part of its main objectives a commitment to redressing past injustices in access and ownership of land. However, it provides that for any expropriation undertaken in the interest of the public, where public interest refers to the nation's commitment to land reform, and to reforms for equitable access to all South Africa's natural resources, a just compensation should be paid (see Constitution of the Republic of South Africa 1996:11-12). Mather and Adelzadeh argue that a shift in approach within the ANC had in fact become evident when, in that same year, it released its macro-economic policy document: Growth, Employment and Redistribution (Gear). Gear's main emphasis is on restrictive fiscal policy and upholding the principles of free market.

Guided by this macro-economic and constitutional framework, the Department of Land Affairs (DLA) introduced its 1997 White Paper on South African Land Policy as a cornerstone of reconstruction and development, aiming to achieve the following objectives:

- redress of the injustices of racially based land dispossession of the past; the need for a more equitable distribution of land ownership;
- land reform to reduce poverty and contribute to economic growth;
- security of tenure for all; and
- a system of land management which will support sustainable land use patterns and rapid land release for development (see the White Paper on South African Land Policy 1997:7).

The White Paper aims to achieve these objectives through the following three major programmes:

- the land redistribution programme to provide the disadvantaged and the poor (in particular labour tenants, farm workers, women, and emergent farmers) with access to land for productive and residential purposes;
- the land restitution programme to address cases of forced removals since 1913 under discriminatory laws;

- the land tenure reform programme for tenure security for all South Africans accommodating tenure diversity (White Paper on South African Land Policy 1997:7).

Whilst land reform policy continued to seek to transform the inherited apartheid agrarian social structure, the White Paper provides that it should be based largely on the willing-buyer willing-seller arrangements with expropriation serving only as a last resort where urgent land needs cannot be met through voluntary market transactions (White Paper on South African Land Policy 1997:38-39).

It is clear from the above discussion that the post-apartheid land policy has been largely influenced and shaped by the neo-liberal, free market perspective. It was, however, also noted that the policy's approach to land redistribution, informed by this perspective, has not yielded much in the way of positive results. As Dithlake has pointed out, the slow progress of the land redistribution programme is attributable to the inherent limits in land reform based on market mechanisms. Dithlake's argument that ever-increasing land prices are beyond the reach of the poor was confirmed by recent research. For instance, Lahiff and Rugege (2002) argue that the size of the Settlement/Land Acquisition Grant, set at R16,000, has proven to be insufficient when compared to the cost of agricultural land. This has led to desperate situations whereby attempts were made to expand the size of the applicant groups in order to increase the combined value of the grant so as to match the land prices. This, they argue, has given rise to problems such as the formation of large and unwieldy groups with little internal cohesion and also to cases whereby relatively coherent groups are split with some receiving land and others not (Lahiff and Rugege 2002:64). Amongst the problems associated with the market-based approach, as identified by Lahiff and Rugege, are the following:

- the lengthy period (often one to two years) spent identifying available land; negotiating with the owner before funding for purchase has been approved; project planning cycle which includes feasibility studies, land valuations, and vetting by government officials. All this must be completed before any actual transactions and land transfers are finalised. This lengthy process and uncertainty as to whether funding would be available for purchase sometimes results in property owners withdrawing and transactions being abandoned;
- the system of finalising purchase towards the end of the project planning

cycle also makes it impossible for applicants to take advantage of opportunities such as land auctions to buy land at a reasonable price;

- land beneficiaries being displaced from their homes, thus depriving them of access to basic services which could enhance improvement in their livelihoods and ability to use the acquired land productively, and also depriving them of close relations with the wider community; and
- the mismatch between the needs of beneficiaries (which are often diverse) and the projects with which they finally end up, complicated both by the reluctance of the owners to sell land on a piecemeal basis, considered as costly and time-consuming, and the non-availability of adequate working capital (beyond the initial acquisition grant) to use land productively.

Based on this assessment and in view of the land invasions in Zimbabwe as well as farm killings in South Africa, Dithlake (1998) has seen the only option as speeding up delivery on land reform through actively acquiring and redistributing land. This, he suggests, should be done through a combination of methods such as nationalisation, forced land purchases at below market prices, expropriation of un-utilised, under-utilised and indebted farms; redistribution of state land, a land for the tiller programme and institution of a land tax.

It is within the context outlined above, characterised by slow progress in redistribution, that the 2001 revised redistribution policy programme was introduced. Its main objective is to 'provide grants to the previously disadvantaged South African citizens to access land specifically for agricultural purposes' with the view to achieving the following objectives:

- contributing towards the transfer of 30 per cent of agricultural land over 15 years;
- improvement of nutrition and incomes of the rural poor who want to farm on any scale;
- decongesting overcrowded former homeland areas;
- overcoming the legacy of past racial and gender discrimination in farm land ownership;
- stimulating growth from agriculture;
- creating links between farm and off-farm income generating activities;
- expanding opportunities for young people in rural areas;
- empowering beneficiaries to improve their economic and social well being;

- enabling those with access to agricultural land in communal areas to make better productive use of their land; and
- promoting environmental sustainability of land and other natural resources (see the LRAD, Executive Summary 2001).

To enhance the achievement of these objectives, the revised policy requires that the underlying principles be observed and adhered to when implementing land redistribution programme:

- the unified and basic nature of the programme which allows the beneficiaries to use it flexibly based on their objectives and resources;
- all beneficiaries are required to make a contribution either in cash or kind in order to access the grant which will vary in amounts;
- the demand-directed nature of the programme – meaning that beneficiaries define their project type and size, and are not limited to certain prescribed products and in order to assist this, with implementation decentralised;
- quick and speedy approval process enhanced through ‘ex post’ audits and monitoring;
- maximum participation of beneficiaries in implementation (LRAD Executive Summary 2001).

This revised approach to land redistribution has since triggered many responses leading to an intense debate on whether or not the LRAD is an appropriate policy to speed up the process of land redistribution in South Africa. This paper seeks to make a contribution to those debates. Towards this end, the next section will address the following set of questions: Does the current revised policy mark any significant shift from the previous one? Does it provide any realistic opportunities for effective redressing of the past legacy of racially skewed land ownership as well as to improve, not only delivery on the broader land reform objectives, but also the lives of the historically marginalised and disadvantaged rural people as it purports to do? Is there a consistency between its underlying principles, aims and methods proposed to execute land redistribution? Has it drawn any lessons from past experiences with the 1997 policy on redistribution? What are the implications of all these for its ability to deliver on redistribution objectives?

The revised LRAD: a critical analysis.

The announcement of the LRAD was met with strong criticism from various quarters including NGOs involved with the land reform in South Africa to intellectuals with interest in land related questions and policies.

The criticism was heightened by concerns that these policy shifts have led to the resignation from the DLA of disillusioned senior officials instrumental in the formulation and implementation of the original 1997 land reform policy. The spate of resignations was viewed seriously by Cousins, for whom this constituted a loss of capacity which poses a threat to the government's ability to deliver. This, argues Cousins, is particularly so as the staff that has left had not only learned painful lessons from the failures and successes of the land reform during its five years of existence but had also accumulated invaluable experience which they were beginning to use to correct past mistakes and re-direct the land reform process for speedy and efficient delivery (see *Mail & Guardian*, August 18-24, 2000). This criticism was countered by Gilingwe Mayende, the director-general in the DLA, who views the departure of those discontented senior staff members as a gain more than a loss. For Mayende, those in disagreement with the new policy shifts could become obstacles to implementation and effective delivery as they would not be loyal and committed to the new approach (*Mail & Guardian*, August 25-31, 2000). Perhaps the question that needs to be asked is whether or not, despite those resignations, the current staff in the DLA responsible for redistribution have drawn insights from the lessons learned previously and integrated these into the revised policy?

Closer scrutiny of the revised programme shows that although it has retained similar principles to the preceding programme, the objectives have changed with some serious implications for delivery on land redistribution objectives. Unlike the previous programme (which identified farm workers, labour tenants, women, and emergent farmers as the main target groups for redistribution) the revised programme tends to place emphasis only on the emergent commercial farmers from the historically disadvantaged communities. This can be noticed from some of the conditions set out in the policy for those interested in accessing land through the redistribution programme. One such condition is the requirement that the redistributed land should be used specifically for agricultural purposes. This is clearly different from the previous programme whereby acquired land could also be used for residential purposes. Another condition set out in the policy is that beneficiaries should both prepare a land use plan and make a contribution in kind or cash of a minimum of R5000 in order to qualify for the land purchase grant which ranges from R20,000 to R100,000.

Such emphasis on the emergent black commercial farmers implies that the most marginalised and poor members of rural communities are

automatically left out of the redistribution programme and its attendant potential benefits. This concern was also raised by a group of rural land NGOs in their joint rebuttal of the DLA's claims that the revised programme has not abandoned the poorest of the poor. They pose the practical question: 'How will contribution in kind be valued in monetary terms for those rural households (the vast majority) without R5000 in cash to access the grant?' They further point out that it is vital to note that for many rural households R5000 in labour probably constitutes the equivalent of a year's work. Hence they argue that this, together with the policy's requirement that those accessing land through the grant should use it for commercial farming undermines the practice of multiple income earning by the rural people (see Hlatswayo et al 2000).

The multiple income earning strategies, which entailed supplementing the produce from subsistence farming in rural areas with migrant labour remittances, will also be undermined by growing job losses in the formal sectors of the economy. The growing unemployment in the formal economic sector and the subsequent loss of cash income in the form of wages could lead to the escalation of rural poverty as rural households find it difficult to afford land available for redistribution on market prices. It would largely be through formal sector employment, which is clearly in a declining spiral, that most rural households could realistically be able to raise the required R5000 contribution. Thus this aspect of the market-based approach to land reform is inappropriate for efficient implementation of the land redistribution programme. Moreover, progress is further undermined by the demand that the acquired land be used strictly for agricultural purposes.

The chances for the most marginalised and poor members of rural communities to benefit from the land redistribution programme, especially the unemployed and those dependent on social welfare grants for their livelihoods, will further be reduced by the provision in the revised policy that 'beneficiaries' can access the grants on a sliding scale, depending on their amount of contribution. Those who make a minimum contribution (ie R5000) will only qualify for a minimum grant (ie R20,000) and those who make a higher contribution will receive a higher grant (LRAD Executive Summary 2001). The danger with this provision is that it will entrench current inequalities and thus fail to bring any meaningful improvement to the lives of the poorest within rural communities. It undermines the DLA's claims in the Executive Summary of the LRAD that the new programme is highly flexible and offers 'beneficiaries' a wide range of products from

which to choose as well as the opportunity to design projects that will suit their needs.

The rural poor will be denied fair opportunities to become involved in medium to large-scale commercial farming activities. The inference one can draw from this provision is that it seems to be informed by the misleading assumption that those who cannot afford to access higher grants and therefore relatively larger farmland, are necessarily not interested in, nor have any ambitions to become involved with, commercial farming. I thus find it hard to disagree with land NGO's criticism that the process that culminated in the revised policy's promulgation was non-transparent and non-consultative and thus resulted in the sidelining of the views and interests of rural communities (Hlatswayo et al 2000). This flies in the face of the district-based delivery strategy, to which the DLA is committed, and its emphasis on the need to consult with the people on the ground in order to determine their needs and work towards fulfilling those needs.

While the revised policy's provision for minimum contribution may seem like opening an opportunity into commercial farming for those who can afford to raise the required contribution, past experiences, however, (see Levin 2000, Lahiff and Rugege 2002), suggest that the grant made available, ranging from R20,000 to R100,000, may not be sufficient, as reflected in the criticisms that projects often failed to match the needs and capabilities of beneficiaries. This becomes truer with constantly increasing land prices. As Lahiff and Rugege (2002) have pointed out, such purchases would need to be accompanied by capital investment to ensure that the acquired lands' productive capacity is enhanced. Perhaps group applicants, who could each be able to raise the maximum cash contribution to qualify for the maximum grants, are the only ones who could stand to benefit from the current policy provisions.

The low level of the grant also highlights the inhibiting influence that Gear, as the macro-economic policy in SA, is having over the land redistribution programme and its ability to deliver. It is true that Gear, in line with the World Bank's earlier proposals, supports the idea of the need to promote small emerging farmers within the historically marginalised communities. However, this is cancelled out by Gear's advocacy of reduction in public expenditure, fiscal constraint, and budgetary reforms whilst limiting the role of the state to that of a facilitator (Mather and Adelzadeh 1998:29). Clearly, the grant is not sufficient to promote and enhance medium to large-scale commercial farming amongst aspirant

black farmers where land purchases should be complemented with capital investment. This is compounded by the limited budget made available for the land reform, which has resulted in the allocation of insufficient capital budget for land acquisition at market prices and on the scale and within the projected time frames (Walker 2000). In 2000, for instance, only R408,457,000, which amounted to just 0.2 per cent of the national budget of over R179 billion, was allocated to land reform (Walker 2000).

Another aspect in the revised policy which requires attention is the retention of the 30 per cent target in transfer of commercial land now set to be achieved within a 15 year period. The 30 per cent target, originally the World Bank's proposal, was at first abandoned in the 1997 White Paper but has now resurfaced in the revised policy. While target setting is necessary for measuring and evaluating progress, the 30 per cent target raises some problems. This is especially so in the light of past experiences and a barrage of criticisms that this target has come under. Central to that criticism is the view that the target is simply rhetorical as it fails to specify clearly where that amount of land would come from (see Hendricks 2001:295). If such land were to come from the state-owned land outside the former reserves, Hendricks (2001) argues that this would fail dramatically to meet the 30 per cent target which would require redistributing 25 million hectares of land. Moreover much of state-owned land is currently being used for a variety of purposes such as forestry, conservation, and correctional services and is not really available for reform (Hendricks 2001:295-6). If one added land acquired from bankrupt white commercial farmers heavily indebted to the state, only perhaps 12.5 million more hectares would become available.

Given that hardly one per cent of farmland has so far been redistributed and the national budget is essentially inspired by Gear (Dithlake 1998, Walker 2000, Mayende 2000), questions need to be raised about the appropriateness and viability of the current market-based approach to land redistribution. This also suggests that the 30 per cent target remains impractical under the prevailing policy environment in which public expenditure is reduced and private property rights are protected by the national constitution. It further suggests that the DLA has not learned enough from past experiences.

Given the current constraining factors, is there any other viable alternative strategy that could be used to improve the livelihoods of the rural poor, alleviate poverty and enhance rural economic development? While it is my

belief that it is imperative to develop innovative, creative and perhaps even somewhat radical measures to overcome the current obstacles to effective land redistribution, I do however think that equally creative measures could be found to enhance the productive potential of land in the former homelands. It is vital to recognise the critical role that land in these areas has historically played in sustaining the lives of rural inhabitants. It served as one of the key sources of livelihood and income through subsistence farming activities such as livestock farming, staple and vegetable cultivation. Migrant wage labour and livelihood sources constituted the multiple income generating strategies for rural households. The productive capacity of these farmlands is not being fully realised due to lack of resources and state help. With increasing job losses in the formal economic sectors, resulting in former migrants resettling back in the countryside, often without any substantial means of livelihood or source of income except for limited produce from land, it becomes imperative that productive potential is unlocked and realised to improve the livelihoods of rural inhabitants. This, therefore, constitutes a major challenge for the land reform policy and the merged Departments of Land Affairs and Agriculture.

To release this land's full potential, the department would have to provide the rural communities with the necessary resources, the most important of which is improved water supply, to ensure that production is carried out throughout the year. Other forms of intervention should include extension services, training programmes, and financial support to purchase farming equipment. It should be noted that while the availing of such resources and assistance by the government is essential, it would, however, be inadequate if not further modified by government interventions aimed at eliminating the historical legacy of urban bias within development projects as well as to ensure comprehensive rural development. The government's 2000 Integrated Sustainable Rural Development Strategy (ISRDS) is a positive step towards this goal. Not only would these steps help to eliminate the popular prejudice towards rural areas and enhance their attractiveness as places with economic opportunities, they would also help to slow down the rapid urbanisation process which, together with high urban unemployment, have led to a boom in overcrowded informal settlements marked by urban social instability as well as increase in social ills such as high crime levels. They could also enhance productive economic links between rural and urban economies. Furthermore, they would help to add the missing developmental content to existing land reform projects.

While the above interventions are essential to realise the objectives of rural economic development, a major obstacle lies in the unresolved issue of land tenure in the former homelands. Failure to resolve this issue has in the recent past delayed the implementation of the land reform programme. Amongst the central issues which require speedy attention are the insecurity of tenure and the uncertainty about the role that rural people, traditional authorities and local government structures should play in land ownership, administration and management. Statutory efforts to resolve these issues in the form of the 1997 draft Land Rights Bill and the 2000 Communal Land Rights Administration Bill failed due mainly to vehement resistance from traditional leaders (Ntsebeza 2001). As Ntsebeza asserts, the attempts by the government to democratise and decentralise land ownership and management through the creation of various institutions such as Land Rights Boards under the provisions of the 1997 Bill as well as to reach some compromise between democratic local government structures and institutions of traditional leadership as was proposed by the 2000 Bill, were eventually dropped in the face of strong resistance from traditional leaders. In fact the seriousness of this issue has seen traditional leaders across the country coming together into a strong organised force in the form of Congress of Traditional Leaders in South Africa (Ntsebeza 2001).

Traditional leaders have been particularly opposed to the creation of local government structures in the form of elected municipalities and/or local councils, and even demanded amendments to the national constitution to allow them absolute power over land (Ntsebeza 2001:15-16). Under this growing pressure from traditional leaders threatening to boycott the 2000 local government elections by advising residents in their communities not to vote, the government, although refusing to amend the constitution, has made concessions. The most serious of those concessions were amendments to the Municipal Structures Act (2000) giving traditional authorities the right to administer land allocation in communal areas. This, argues Ntsebeza, the government did in spite of the overwhelming research evidence which shows that traditional authorities are autocratic and unaccountable (2001: 13,18).

In fact, traditional leaders themselves seem to admit, although reluctantly, that their institutions are undemocratic. Note for instance, the statements by Nkosi Patekile Holomisa, a traditional leader and the president of CONTRALESA, during his address to the 2001 National Land Tenure Conference in Durban. In his address he said, 'We are aware of the

shortcomings of the traditional authorities as they now exist'; 'Even if the apartheid rulers formalised the institution of traditional leadership by creating traditional authorities, that does not mean that the structures are per se illegitimate'; and 'We agree that traditional authorities must be transformed and democratised to ensure that they are sensitive to the values of our time as encapsulated in the constitution' (Holomisa 2001:7-8).

Following the failure of both the 1997 and 2000 Bills, and still concerned about the unresolved issue of land tenure in the former homelands, the government formulated and promulgated the 2002 Communal Land Rights Bill. The 2002 Bill provides for the recognition of institutions of traditional leadership (but requires that they should be democratised) and their customary rules governing land tenures. It also gives recognition to democratic community-based structures. It provides that fundamental human rights of equality, freedom of choice and participation of residents in the reorganisation of tenure rights and systems should always be observed when dealing with land tenure reform. It further provides for the establishment of the Land Rights Boards that should be constituted of the government representatives, members of both the House of Traditional Leaders and the affected communities. The main function of the Boards will be to administer and manage the tenure reform process as outlined in the Bill (see the Communal Land Rights Bill, No. 23740, 2002:4,56,57).

Perhaps the question that needs to be considered here is that of the implications that this Bill has for the resolution of the land tenure issue and economic development in the former bantustans. Can it help to bring about a final solution to the disputed issue of land question there? It would seem to me that the Bill is a clear reflection of the difficult situation in which the present government finds itself. This is particularly so when considering the strong resistance that it initially encountered from the organised traditional leaders, deepening rural poverty and the democratic principles and values to which it is committed as outlined in the national constitution. This can clearly be seen from contradictory and ambiguous provisions contained in the Bill on how the land tenure reform should be handled. While the Bill recognises and empowers traditional authorities to administer rural land in accordance with customary laws, it also provides that democratic structures in the form of the Land Rights Boards should be established. The Boards' primary role would be to serve as watchdogs ensuring that residents' constitutional rights are not undermined in the process of land tenure reform. It is still unclear as to whether or not the 'transformed and

democratised' traditional leadership system will be sensitive to the constitutional rights of rural citizens, as was hinted at by Holomisa during his address to the 2001 conference. The Bill, I would argue, fails to cede unambiguous powers to a democratically elected structure that could work with traditional authorities to execute the land tenure reform. This failure could aggravate the existing tensions with institutions of traditional leadership on how the tenure question should be handled.

Such tensions could constitute a major stumbling block to both the resolution of the land tenure question and development in areas governed by traditional law. In fact, there is no guarantee that traditional leaders would support the provision for establishment of Land Rights Boards or any other democratically elected structure such as the local council. This is particularly so as they previously have opposed such ideas when provided for in the 1997 Land Rights Bill and seem to still be holding a similar position. In Holomisa's address to the 2001 conference, he said 'We propose that traditional authorities must be made up of traditional leaders and democratically elected leaders' (Holomisa 2001:8). What this implies is that traditional leaders would not accept or recognise alternative democratic structures with responsibility for rural development including land administration. He went on to say 'Our advice to government is that legal title to communal land be in the name of the relevant traditional authority', 'We do not believe ... that shortcomings justify the divestment of traditional authorities of their historical responsibility to control and administer land', and even more emphatically that '...what will not be accepted to traditional leaders is a system that will relegate them to ordinary community members on matters of our ancestral lands' (Holomisa 2001).

However, the 2002 Bill could present an opportunity for the amicable final resolution of the land tenure issue through its provisions, which seek to bring together the various interest groups into the Land Rights Boards. This could encourage them to find common ground and develop a jointly agreed approach on how to execute the tenure reform process. Reconciliation may thus be found between customary legal principles and the principles enshrined in the national constitution to ensure a smooth process of tenure reform. Note, however, that this can only happen if traditional leaders accept the idea of the creation of alternative democratic structures such as the Land Rights Boards. So, in the final analysis, one could argue that the Bill presents potential for a settlement or for deeper conflict.

Conclusion

This paper has provided a critical assessment of the 2001 LRAD in order to determine whether or not this revised policy could successfully deliver on land redistribution, and thus enhance the achievement of the goals of rural poverty alleviation and economic development. Based on the review of the policy debates both prior and after the 1997 White Paper on Land Policy in SA and an analysis of the post-1999 policy shifts towards the 2001 LRAD, I have argued that the LRAD is unlikely to have a significant positive impact on delivery of the land redistribution objectives. This argument is based on the examination of the LRAD provisions, which revealed contradictions and inconsistency between its principles and methods to achieve them, drastic shifts in objectives, as well as the failure to draw adequately on lessons learned from the 1997 land redistribution programme. It was noted that unlike the preceding redistribution programme, which aimed to provide access to land for farm workers, labour tenants, women, and aspirant commercial farmers to use for various purposes; the LRAD's main aim is to promote black commercial farming only. This could be seen from its provisions that land accessed through the programme should strictly be used for agricultural purposes, that 'beneficiaries' should make a minimum contribution of R5000 and submit a land use plan. The market-based approach has not achieved much in the past and its appropriateness is therefore questionable. Current economic circumstances are moreover undermining the multiple income earning strategies of rural families. It thus seems that the 30 per cent redistribution target was unrealistic. The only existing potential for the LRAD to deliver on its objective of promoting black commercial farming, is where there are group applicants pulling together their contributions. While this would enable applicants to purchase relatively large pieces of land, there is however a danger that once that land has been purchased, they may run out of funds for further investment in it to fully enhance its productive capacity. This possibility could be exacerbated by the restrictive macro-economic environment under Gear.

In the light of the above analysis, I undertook to explore any other possibly viable alternatives to enhance the achievement of those objectives within the current restrictive macro-economic and constitutional environment. It is my belief that the land in the former bantustans holds some potential to address the problem of rural poverty and economic stagnation. The ISRDS, although insufficient, is a step in the right direction

towards providing resources there and striking a balance between urban and rural development. Notwithstanding this, it was noticed that the unresolved issue of land tenure in the former bantustans may constitute a major constraint to economic development and poverty eradication. It is thus clear that the achievement of rural economic development and poverty alleviation is mainly dependent on successfully resolving the land tenure issue there.

Note

1. See 1994 elections manifesto booklet, by the ANC Department of Information and Publicity.

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