Can we unlock rural socio-economic transformation through land reform? Revisiting the land redistribution public policy imperatives in South Africa

Summary

One of the key objectives of the land reforms in South Africa was for the process to lead to the emergence of a cohort of black small-scale commercial farmers who would realize substantive agricultural production levels through irrigation and actively contribute to the local and national agricultural value chains. The available evidence suggests that this and other key objectives of the reforms have been difficult to attain and the contribution of land reform to the livelihoods of the beneficiaries has been negligible in the Limpopo province as well as other parts of the country. The study on which this policy brief is based deployed qualitative research methodologies to gather both secondary and empirical data that enabled analysis of the extent to which the land reform programme has contributed to the livelihoods of small-scale black commercial farmers in the surroundings of Bela-Bela Municipal Area, Limpopo Province. The study found that financial resources are a big challenge, with most of the farmers being unable to raise the capital needed to invest in the farming enterprise. In addition, most of the ‘emerging farmers’ do not have the know-how and experience needed to run a commercial farm. Overall, the study enabled us to conclude that the land reform projects have not only had limited impact on the livelihoods of the majority of the beneficiaries, but have instead left the country-side facing a real risk of increasing food insecurity. This suggests that a wide-ranging programme of land reform is a necessary but insufficient condition for meaningful transformation of the livelihoods of the beneficiaries. More groundwork still needs to be done.
by government and other development agencies to ensure availability of proper post-land transfer support systems for the emerging farmers.

**Introduction**

Since 1996, public policy practitioners and theorists in South Africa have been grappling with the design and implementation of land ownership reforms. These reform processes were intended to significantly contribute to the livelihoods of the beneficiaries through transfer of commercial farms from the predominantly white owners to black people who were previously disadvantaged by apartheid policies of racially segregated spatial development. One of the main goals was for the reform process to lead to the emergence of a cohort of black small-scale commercial farmers who would realize substantive increases in agricultural production and actively contribute to the local and national agricultural value-chains. This process and all the other economic spillovers arising from it were expected to positively transform the livelihoods of the previously disadvantaged black beneficiaries. For instance, the White Paper on South African Land Policy (1997) states that the purpose of land redistribution is "to provide the poor with access to land for residential and productive uses, in order to improve their income and quality of life". However, since 1997, South Africa has struggled to attain the main performance targets set for the land reform programme and its contribution to the livelihoods of the targeted beneficiaries remains debatable (Mngxitama, 2006; Ntsebeza, 2007; Mpehle, 2012).

This policy brief articulates some of the main challenges and opportunities evident in the land reform process and their implications for the livelihoods of the households involved as well as broader processes of rural socio-economic transformation. It is one of the outputs from an applied qualitative and stakeholder-oriented study that used small-scale irrigated farms emerging from the land redistribution process in Bela-Bela Municipal area, Limpopo Province, as case studies that demonstrate the efficacy and utility of the land reform process. Bela-Bela Municipal area is approximately 100 km from Pretoria and thus has direct market linkages with this city through the N1 highway. Large-scale commercial farming, predominantly by white farmers, is still prevalent in the area. However, through government funded land reform projects, there is a rising number of emerging black commercial farmers (Bela-Bela Municipality, 2013).

During the study, we embraced insights from published literature and government policy documents to gain a broad understanding of the reform processes and the theoretical basis informing public policy in this domain. We also interviewed key informants at the local and provincial levels and visited 40 land redistribution projects in Bela-Bela for detailed profiling of the farms. We sought to find out the main barriers that emerging black farmers face in owning commercial farm land and accessing water. We were also interested to understand the main factors influencing access to support systems for inputs; institutional structures influencing reform implementation at local levels; internal and external factors influencing farm productivity; and ultimately, options for improving the performance of the selected farms.

The policy recommendations made in this brief are based on the premises that any attempt to improve institutions mandated to design and implement the land reform process in South Africa and elsewhere inevitably requires a systematic assessment of the original mandate, the state of implementation to-date, the post-transfer support systems put in place and their implications for who gets what kind of access to which resources, when and how. There is also a need to understand the whole chain of accountabilities that should compel key actors leading the reforms in this sector to be more vigilant and pro-active. The policy brief is intended to bring sharper focus to bear on the public policy foundations on which land reform's contribution to rural socio-economic transformation in the country is based and how a more enabling public policy environment may be created.

**The public policy context**

Since the new political dispensation in 1994, public policy proclamations have depicted land and agrarian reform in South Africa as an instrument to be used in facilitating rapid rural socio-economic transformation. For instance, in the ANC Polokwane position paper on land reform (1996) and the White Paper on Agriculture (1995) agrarian reform is conceived as the (re)establishment of small-scale, family-owned and-operated farms that are able to sustain livelihoods and also meet the country's needs for food and agricultural exports. In this interpretation, the notion of land reform is oriented towards an agrarian socialism, with farming providing marginalized communities a means to become self-sufficient (Cardno Agrisystems Limited, 2008).

The ANC's Land Reform Policy Discussion Document of 2012 also states that land reform is located within and informed by South Africa's Comprehensive Rural Development Programme which, in turn, hinges on a three-pronged strategy: (i) a coordinated and integrated broad-based agrarian transformation; (ii) an improved land reform programme; (iii) strategic investments in economic and social infrastructure that will benefit entire rural communities.
The land reform policy should also be understood in the context of the realities of poverty and inequality that the country has been facing for a long time. It is now almost two decades since apartheid came to an end and many policies and programmes have been tried out by successive governments in the country to address poverty and inequality. Yet these challenges have persisted and at least 70% of the people categorized as the poorest in the country live in the rural areas (Kepe & Tassaro, 2014; Kepe, 2009; Aliber, 2003). In provinces that are categorized as the poorest in the country (i.e. Limpopo and Eastern Cape), as many as 80% of the households regularly experience hunger (Kepe & Tassaro, 2014). There is therefore an urgent need to articulate the significance of the challenges faced in South Africa's rural development processes and to identify the potency or limitations of existing public policy and programme interventions such as the land reform programme. Indeed, one of the more critical elements in sustaining food production is to assist small-scale farmers to access land and water and enhance their agricultural production. Therefore, the land redistribution question in South Africa lies at the cutting edge of the development debate (Cousins, 2005; 2011).

On paper, the land reform policies developed for the country and the principles on which they are anchored seem to be very sound, progressive, and in some cases, even of world class standards. However, challenges are evident at the implementation stage. It has become increasingly apparent that the government's goal of redistributing commercial farming land through the willing-buyer-willing-seller approach to address inequality, while at the same time maintaining the same levels of commercial agricultural production to ensure food security, has not produced the expected results. The approach has not managed to reverse the skewed ownership of land which still favours the white minority (one of the legacies of apartheid policies of segregation). Since the beginning of the reforms, most analysts have concluded that land reform has failed to meet its key objectives (Wynberg & Sovman, 2007; Ntsebeza, 2007; Umhlaba, 2010; Kepe & Tassaro, 2014).

In 1994 the original plan was to redistribute 30% (approximately 26 million hectares) of white-owned farmland to black people in poverty with a deadline of 2014 (Turner, 2001; Heetderks, 2015). The government has however, managed to achieve less than 10% of the land redistribution target since 1994 (Kepe & Tassaro, 2014). It is clear that the target of transferring 30% of land from white land owners to black land owners by 2014 has proved very challenging and, to date, this situation is largely unchanged. At the same time, most of the “new” black small-scale irrigation farmers who took ownership of the redistributed farms have not been able to maintain the previous levels of agricultural production nor to translate their acquisition of land into meaningful livelihoods (Hall, 2007). About 70% of the farms taken over by black people have failed (The Economist, 2009; Kleinbooii, 2010). Atuahene (2011) argues that this is mainly due to the lack of support the South African government gives to the farmers.

Overall, despite the implementation of land reforms in South Africa, food security, malnutrition and unemployment remain ongoing challenges, particularly in the rural areas, and many households still depend on government hand-outs for survival (Lahiff, Maluleke, Manenzhe & Wegerif, 2008; Kepe & Tessaro, 2014). Therefore, although necessary, land and water reform in South Africa will only be effective if embedded within a broader programme of restructuring the agrarian rural economy. Public policies need to be revisited to support such aspirations and tackle current challenges head-on.

**Land reform and food security in Bela-Bela**

There are more than 50 land reform projects that one may find within the municipal boundaries of Bela-Bela and these include those from redistribution and restitution programmes. At the national level, the land redistribution programme was minimally successful, leading to the redistribution of only about 7% of the targeted land to the landless poor and emerging farmers for productive uses and to stimulate growth in the agricultural sector. This was mainly executed through grant-based mechanisms such as the settlement/land acquisition grant of R16 000 per household from 1995–2000 and then the Land redistribution for agricultural development grant of R20 000–R100 000 per individual based on own contribution (National Planning Commission, 2012).

Based on our engagement with and inputs from key players in the sector, we identified and developed a generic framework and criteria for a typically successful emerging farmer that we applied in the assessment of the land reform schemes. The framework mainly includes aspects that were considered crucial for meaningful agricultural production to take place in the context of the land reforms. These are as follows:

(i) The farm is occupied and running as a single commercial agriculture entity.

(ii) The farm is producing agricultural products for commercial purposes rather than just for subsistence purposes.

(iii) Beneficiaries are actually benefiting from stocks and flows of food and income.

(iv) The farm owners are currently practising irrigated agriculture with access to water assured.

(v) The farmers are able to access all required inputs on time when they need them.
(vi) The farmers’ levels of agricultural production are relatively reasonable compared to previous owners’ levels of production (if information is available).

(vii) The farmers exhibit confidence in the farming venture and have clear plans in place to sustain the venture.

(viii) Overall, there are observable or tangible livelihood changes arising from access to land by the farmers.

Using these criteria, the findings of our study depict the scenario in Bela-Bela as presented in Table 1.

Table 1: The status of land reform projects in Bela-Bela (n = 40)

<table>
<thead>
<tr>
<th>Variable</th>
<th>Number</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attempted use of land but no significant production (no benefits gained)</td>
<td>19</td>
<td>47.5</td>
</tr>
<tr>
<td>Land partly used &amp; partly leased out (no significant benefits gained)</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Land being used (some benefits gained)</td>
<td>9</td>
<td>22.5</td>
</tr>
<tr>
<td>Land partly used &amp; partly leased out (some benefits gained)</td>
<td>8</td>
<td>20</td>
</tr>
<tr>
<td>Land used as a joint venture</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>TOTAL</td>
<td>40</td>
<td>100</td>
</tr>
</tbody>
</table>

The picture presented in Table 1 shows that there are many cases of outright failure (47.5% of respondents attempted use of land but no significant production or benefits gained). About 22.5% of the sampled schemes demonstrated some success with the land being used and some significant benefits being gained by the household concerned. There are cases (20%) where the land is partially used and partially leased out leading to some benefits being gained by the household concerned. However, leasing was not part of the initial expectations when the reforms were initiated. There are also a few cases where the emerging farmers have formed joint ventures with the previous white commercial farmers (5%). These ventures performed quite well when using our criteria for success.

Overall, the impact of the reforms on socioeconomic transformation of local and household livelihoods is limited since the majority of the schemes are not performing well. This confirms earlier findings by a number of other scholars who carried out research in different parts of South Africa and concluded that more than 70% of South African land reform projects in a post-settlement phase experience operational difficulties or are considered completely unsuccessful (for instance, see Aliber et al., 2005; Cousins, 2005; Cardno Agrisystems Limited, 2008; Anseeuw and Mathebula, 2008; Kepe, 2009; Hall, 2009; Kepe & Tassaro, 2014).

An examination of the Limpopo Province’s land reform database revealed that most of the emerging farms in Bela-Bela are between 20 and 80 hectares in size. Those that are producing something do so on a relatively small scale (usually vegetables and livestock) while the majority are either struggling to survive or lying idle and not functioning at all. The government certainly invested large amounts of money when they bought the farms which cost in the range of one to two million rand. More money was also invested through the farm recapitalization support programme (averaging 25% of the farm price) and continuing assistance. However, little attention has been given to the capacity of the beneficiaries of the reforms to practice commercial farming. Among our sample of emerging farmers, there was no evidence that the beneficiaries have been capacitated in this regard.

Table 2 shows the main farm produce among the 40 emerging farms we visited in Bela-Bela. It is clear from Table 2 that cattle, goats, vegetables and chicken are the main products even though these products are generally not staple food-stuffs for the country. For instance, more than 80% of the farmers we visited were rearing livestock such as cattle and goats while 75% produced vegetables. However, due to the diversity of the farmers and their capabilities, there is a whole range of other commodities such as sheep, groundnuts and sunflower that are also produced by different farmers even though these are in much smaller quantities.

Table 2: Main farm produce in Bela-Bela (n = 40)

<table>
<thead>
<tr>
<th>Product</th>
<th>Frequency</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vegetables</td>
<td>30</td>
<td>75</td>
</tr>
<tr>
<td>Maize</td>
<td>20</td>
<td>50</td>
</tr>
<tr>
<td>Sunflower</td>
<td>15</td>
<td>37.5</td>
</tr>
<tr>
<td>Groundnuts</td>
<td>16</td>
<td>40</td>
</tr>
<tr>
<td>Cattle</td>
<td>34</td>
<td>85</td>
</tr>
<tr>
<td>Goats</td>
<td>32</td>
<td>80</td>
</tr>
<tr>
<td>Sheep</td>
<td>6</td>
<td>15</td>
</tr>
<tr>
<td>Broilers (chicken)</td>
<td>26</td>
<td>65</td>
</tr>
<tr>
<td>Layers (chicken)</td>
<td>9</td>
<td>22.5</td>
</tr>
<tr>
<td>Pigs</td>
<td>3</td>
<td>7.5</td>
</tr>
</tbody>
</table>

We also asked questions about the main constraints being faced by the emerging farmers and their perceptions regarding the severity of those constraints, categorized as low, medium and high severity. A high percentage under the “low” column reflects that the particular variable in question is not a major challenge. On the other hand, a high percentage under the “high” column reflects that the variable in question is a major challenge which the farmers considered quite severe in terms of its impact on their productivity. Table 3 displays our findings in this regard.

The data in Table 3 shows that 82.5% of the farmers cited lack of funding as the biggest challenge facing them. They also placed it under the “high” level of severity category. Lack of farming knowledge was considered the second biggest challenge by at least 77.5% of the sampled farmers. They also categorized it under high level of severity. Costs of electricity came a close
Table 3: Main constraints for the emerging farmers and levels of severity faced (n = 40)

<table>
<thead>
<tr>
<th>Constraint</th>
<th>Low (%)</th>
<th>Medium (%)</th>
<th>High (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Access to water</td>
<td>10 (25)</td>
<td>10 (25)</td>
<td>20 (50)</td>
</tr>
<tr>
<td>Funding</td>
<td>2 (5)</td>
<td>5 (12.5)</td>
<td>33 (82.5)</td>
</tr>
<tr>
<td>Lack of farming knowledge</td>
<td>3 (7.5)</td>
<td>6 (15)</td>
<td>31 (77.5)</td>
</tr>
<tr>
<td>Extension support services</td>
<td>22 (55)</td>
<td>8 (20)</td>
<td>10 (25)</td>
</tr>
<tr>
<td>Farm infrastructure</td>
<td>11 (27.5)</td>
<td>12 (30)</td>
<td>17 (42.5)</td>
</tr>
<tr>
<td>Electricity costs</td>
<td>7 (17.5)</td>
<td>3 (7.5)</td>
<td>30 (75)</td>
</tr>
<tr>
<td>Farming inputs</td>
<td>8 (20)</td>
<td>9 (22.5)</td>
<td>23 (57.5)</td>
</tr>
<tr>
<td>Farming machinery &amp; implements</td>
<td>6 (15)</td>
<td>11 (27.5)</td>
<td>23 (57.5)</td>
</tr>
<tr>
<td>Labour</td>
<td>30 (75)</td>
<td>3 (7.5)</td>
<td>7 (17.5)</td>
</tr>
<tr>
<td>Fencing</td>
<td>4 (10)</td>
<td>12 (30)</td>
<td>24 (60)</td>
</tr>
<tr>
<td>Markets</td>
<td>17 (42.5)</td>
<td>5 (12.5)</td>
<td>18 (45)</td>
</tr>
<tr>
<td>Roads</td>
<td>25 (62.5)</td>
<td>8 (20)</td>
<td>7 (17.5)</td>
</tr>
<tr>
<td>Post-harvest storage</td>
<td>12 (30)</td>
<td>12 (30)</td>
<td>16 (45)</td>
</tr>
<tr>
<td>Transport</td>
<td>18 (45)</td>
<td>10 (25)</td>
<td>12 (30)</td>
</tr>
</tbody>
</table>

third at 75% and was also placed within the high level of severity bracket. Under the low levels of severity bracket, access to labour (75%), extension services (55%) and roads (62.4%) were cited most as not posing any serious constraints to the emerging farmers. These findings suggest that policy makers and practitioners should pay more attention to challenges associated with lack of funding, capacity development and energy supply for the emerging farmers.

At a more general level of analysis, the emerging farmers tend to come from very diverse backgrounds and very few of them had any previous experience of running a commercial farm (if we exclude previous farm workers). Thus, most of the farmers lack education on agricultural production and basic administration skills. It was also clear that most of them do not have any capital to inject into the farming enterprise.

While a business plan was a pre-requisite for one to acquire a farm, most of the plans were produced by hired consultants who did not provide post-acquisition support to enable meaningful application of the plan and turn it into a viable enterprise. Thus, most of the emerging farmers have been depending a lot on inputs and technical assistance from the Department of Agriculture to survive, thereby creating a lasting dependency syndrome. However, the government cannot provide continuous financial support.

Discussions with the farmers also revealed that there are some cases where the grants provided were used for other purposes such as paying for school fees rather than being ploughed back into the farming enterprise. This obviously reduced the resources available for farming. Leasing of some of the redistributed farms to white commercial farmers who are better-prepared for the farming enterprise has been on the increase. In the process, the land goes back under white ownership and control, with blacks being employed as farm workers.

Those farms categorized as communal property associations (CPA) co-owned by groups of people or communities have also had mixed results. In Bela-Bela, we identified 12 CPAs but at least half of them are dysfunctional or not operational due to many institutional challenges associated with difficulties that arise in contexts where collective action is required. For instance, some CPA members brought their own cattle onto the CPA property without consulting others or adhering to the development plan in place, leading to overstocking and overgrazing. In addition, for various reasons, some of the CPA Boards do not function effectively leading to mismanagement, poor leadership, lack of community cohesion, individuals prioritizing their own interests, and unsustainable exploitation of the available natural resources.

**Recommendations**

While land reform is intended to unlock opportunities for the poor to improve their livelihoods, its success cannot be taken for granted in many parts of the country. Our analysis of land reform projects in Bela-Bela enables us to reach the conclusion that in their current form, the land redistribution projects are not contributing to rural socio-economic transformation in a systematic and predictable way. Indeed, in many cases, farming schemes established as part of the land redistribution process are either underperforming or not functioning at all.

One of the disturbing features of the main academic and policy-oriented discourses on the success or failure of the land reform programme is that, right from the beginning, land reform was primarily understood and evaluated according to the absolute volumes of land transferred from the predominantly white commercial farmers to the previously disadvantaged black emerging farmers. Achievement of targets set in this regard was given prime importance and continues to pervade most assessments of progress in this domain.

Much less attention has been paid to the actual use of the land for productive purposes by the beneficiaries of the
land redistribution programme once the land transfers are in place. There is an urgent need to go beyond assessment of land transfers from whites to blacks in volumetric terms and rather to begin to articulate the significance of the main challenges and opportunities the emerging farmers face in using the land for productive purposes. This will help analysts in identifying the potency or limitations of existing land reform policy and support systems in place for the emerging farmers. We recommend the following:

**Policy development**

There is a need to revisit the land reform policy to ensure that it sufficiently addresses emerging farmers’ access to financial capital after they acquire the farms. It is clear that financial resources are a big challenge, with most of the farmers not being able to get the capital needed to invest in farming implements and irrigation infrastructure. In the absence of adequate finance, chances of meaningful production diminish.

**Capacitation of the emerging farmers**

Land policy interventions in South Africa should be done taking into account that black people in the former homelands were historically disempowered to such an extent that farming knowledge was lost along the way. As a result, many of the emerging farmers do not have the know-how and experience needed to run a commercial farm. Centuries of such domination and incapacitation cannot suddenly be wiped away by simply making more land available. Therefore, targeted capacity building programmes and mentorships are a prerequisite for the emergence of a cohort of productive small-scale black commercial farmers. Among others, training is required for the farmers in crop and animal husbandry; basic business management and administration; marketing; and community-based organization in cases where CPAs are the preferred mode of land reform. Therefore, capacity building programmes are needed that can empower the emerging farmer to become increasingly self-reliant and more productive.

**Ensuring access to water for the emerging farmers**

While water and land reforms have been implemented almost parallel to each other in the country, no deliberate effort has so far been made to ensure that the two reform processes sufficiently complement each other. As a result, access to water for agricultural production is not necessarily guaranteed for some of the beneficiaries of land reform. In cases where there is no access to adequate water for the emerging farmer, production is immediately affected. Policy makers and practitioners have to revisit the reform programmes and ensure that the emerging farmers also get access to sufficient amounts of water for irrigated farming if the land reforms are to transform the rural economy in a positive manner.

**Strengthening agricultural extension services**

While agricultural extension services were generally available in the study sites, this is an area requiring further strengthening to ensure that there are more such services for the increasing number of farmers. This should help in aiding the farmers not only to grow crops and rear animals but also to make the “right” choices of commercial crops to grow in line with the nature of the soil in their area. Currently, the default crops for most of the farmers seem to be maize and vegetables, yet there are several other crops with potentially high commercial value that they could also grow.

**Recognizing variations in farmer needs**

From our study findings, it is clear that not all of the emerging farmers are the same and not all recipients of redistributed land have a commercial farming mindset. Some of the farmers even seem to have objectives that are not necessarily the same as those of government. They end up focusing more on feeding their families and maintaining their livelihoods through subsistence agriculture rather than pursuing purely commercial farming objectives and profit-making. Under the land restitution pillar of reform, it is understandable that some recipients may just want a place to build a home and engage in subsistence farming. However, under the land redistribution pillar, the same mindset should not be acceptable. Therefore, the implications of farm acquisition and ownership should be discussed in detail in advance with an emphasis on the need for commercial production if South Africa is to remain food secure.

*Reliable access to water significantly increases chances of successful land reform*
Need for a comprehensive farming systems approach

In its current form, the land reform programme seems to be based on the assumption that redistribution of land will automatically translate into high agricultural production and livelihoods transformation, yet this is not the case. What is missing is the adoption of a farming systems approach to agrarian reform that considers the total environment in which the “new” farmers will be surviving. Adopting a farming systems approach will enable policy makers and practitioners to carefully examine the whole value-chain starting with land acquisition through farm recapitalization, farmer capacitation, through to the input-output-to-market dimensions that are absolutely crucial in a commercial farming entity. In this way, land reform may meaningfully contribute to the livelihoods of beneficiary households in the Limpopo Province and other parts of the country.

Need to carefully think through wholesale land acquisitions

Despite all the challenges evident among the redistributed farms, some of the more recent land reform policy debates in South Africa have included a specific focus on the possibilities of acquiring land without compensation to replace the willing-buyer-willing-seller approach. While this would certainly make more land available faster than ever before, it is doubtful that those who advocate wholesale acquisition of land in this fashion are fully aware of the constraints to production that currently bedevil the already redistributed land reform projects. We reiterate that providing access to land for previously disadvantaged groups should not be treated as an end in itself. What is required is for land reform to be accompanied by a full package of institutional and financial support systems and services that will enable meaningful agrarian change to become one of the catalysts for broad-based socio-economic transformation in South Africa’s rural areas. Until this is addressed on the currently redistributed farms, it makes no sense to make more land available without proper plans being put in place to ensure that the emerging farmers utilize the farms productively in the short to medium-term.

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