Creating the black commercial farmers in South Africa

Samuel M. Kariuki


Department of Sociology
School of Social Sciences
University of the Witwatersrand, South Africa
Contents

Abstract 5

Land Reform Policy and its Implementation
(1994-2000) 6

The Land Redistribution for Agricultural Development
Sub-Programme (LRAD) 17

Table 1: Sliding Scale of Grants and Own Contribution 20

LRAD Project Life Cycle 23

An Integrated Critique of the Land reform for Agricultural
Development (LRAD) 28

Calcom Case Study 37

Brief Introduction of Project 37

Infrastructure Available in the Farm 38

The Challenges Facing the Project 40

Other General Challenges Facing the LRAD Process 50

Key Conclusive Themes that Emerge from the Study 67

Map of South Africa 72
Map of Mpumalanga 73

Fieldwork Project Pictures 74-75

Project Background Information 76

Interviews Alluded to Retrospectively in the Study 77

Bibliography 78
Abstract

The central aim of this paper is to understand the dynamics of land reform policy process in post-apartheid South Africa (1994) and the challenges facing the policy process in South Africa between 1999-present. This analysis is done against the back-drop of one key policy innovation initiated post-1999, namely the Land Reform for Agricultural Development (LRAD). Land reform for agricultural development aims to build a class of black commercial farmers in an attempt to de-racialise the agricultural sector and also achieve more comprehensive agrarian reform in rural South Africa.

The first part of the paper will discuss the normative and broader limits that define the current parameters of land reform policy in post-apartheid South Africa. Its leverage to engender a revolutionary change in the patterns of land ownership and agrarian transformation is circumscribed by the limits of South Africa’s political economy of transition on the one hand and the inability of state institutions to effectively implement the vision of the land reform policy. The second part of the paper will consider the change in policy orientation that was initiated in 1999 and which was partly informed by the structural, ideological, resource based and institutional impediments that generated the slow pace of progress land reform had undergone between 1994-1999. This is will be substantiated through a case study of Calcom in Barbeton, Mpumalanga Province. The key argument that will be pursued here is that LRAD implementation is being done within a context of unresolved institutional and fiscal problems that thwarted the success of its predecessor programme, the Settlement Land Acquisition Programme (SLAG). Incidentally, the new policy innovations echo similar innovations albeit with little success that other African countries adopted. A comparative analysis with Kenya’s 1954 Swynnerton Plan will be done against the back-drop of the current policy changes in South Africa.
LAND REFORM POLICY AND ITS IMPLEMENTATION
(1994-2000)

Land dispossession was a key feature of racism under colonial rule and apartheid in South Africa. More than 3.5 million people were forcibly removed in the period 1960 to 1983 alone, through homeland consolidation, removals from “black spots” and the Group Areas Act. Land dispossession was central to the creation of mass poverty and South Africa’s landscape of “separate development”. Colonial and apartheid-era forced removals and the associated alienation of land rights lie at the heart of the repressive regime that the national liberation movement sought to overthrow. One result of massive dispossession is the concentration of poverty in South Africa’s rural areas, where about 70% of the population lives below the poverty line (May 1998 cited in Hall, Jacobs and Lahiff 2003: 1; Levin and Weiner 1997: 4-5). In April 1994, a new democratic South Africa was born. The extension of political rights to the whole citizenry of the country was an event celebrated globally. Despite newly won political freedoms, approximately a half of South Africa’s 43 million people and two-thirds of its African population still live in deep poverty. Hence the effects of apartheid-era policies impacted visibly on the South African agrarian landscape. Land reform provides a unique opportunity to generate socio-political and economic transformation in rural South Africa through the redistribution of land to the landless, tenants and farm labourers. Among the many urgent problems that South Africa faces in the transition from apartheid, land reform occupies a very important place economically, socially and politically, in particular in spreading socio-economic rights to black South Africans, which would eventually restore the imbalances of power and unequal land ownership patterns in South Africa.

The prospect of democracy in the 1990s raised expectations that the dispossessed would be able to return to their land, but the terms on which political transition was negotiated constrained how this could happen. Despite calls for a radical restructuring of social relations in the countryside, the constitutional negotiations on the protection of property rights, and on the economy more broadly, ensured that land reform would be pursued within the framework of a market-led land reform model, as advocated by
the World Bank through its initial document – “Rural Restructuring Policy” which defined the policy framework South Africa should adopt with respect to its land question. These negotiated transitional arrangements were finally endorsed and reflected in the 1996 Constitution which sets out the following framework for land reform:

The state must take reasonable legislative and other measures, within its available resources, to foster conditions which enable citizens to gain access to land on equitable basis (Section 25(5)).

A person or community whose tenure of land is legally insecure as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to tenure which is legally secure or to comparable redress (Section 25 (6)).

A person or community dispossessed of property after June 1913 as a result of past racially discriminatory laws or practices is entitled, to the extent provided by an Act of Parliament, either to restitution of that property or to equitable redress (Section 25 (7)).

There are three key pillars in South Africa’s post-1994 Land Reform Policy that reflect the constitutional pronouncement around land matters: land redistribution, land tenure reform and land restitution. The broad aims of the policy are to: (i) accord redress to the injustices of apartheid, (ii) foster national reconciliation and stability, (iii) underpin economic growth and (iv) improve household welfare by alleviating poverty (White Paper 1997: v).

The constitutional basis of land reform was essentially to set up the broad parameters through which the redistribution of land to black South Africans could take place. Implicit within these pronouncements was that land reform was to occur on terms reflective of the key negotiated imperatives that defined the transitional process such as pro-market reforms, reconciliation and stability. Some of the defining pre-conditions were to define post-apartheid policy framework. As aptly put by one analyst, the transition was not a *tabula rasa* in which any policy option could be
chosen. Instead, political and economic imperatives ruled out some options and
weighted choices towards others. In other words, these imperatives defined the
parameters of the policy debate (Gelb 2004: 1). Within the land reform policy,
accommodating these forms of imperatives often created an implicit dialectic. This is
noticeable in the dissonance that exists in terms of policy vision and strategies created
to enforce the policies. For instance, the over-arching market-based approach adopted
with respect to the resolution of South Africa’s intractable land question was also seen
to be in tandem with the global economic shift towards neo-liberal economic policies
worldwide.

These global changes have had a decisive influence on the options open to the new
post-apartheid state in transforming the legacy bequeathed by apartheid. Notions of
state-led and demand-driven developmentalism have gradually been marginalized. The redress of deep class, racial, gender and spatial inequalities has come increasingly
to depend on a notion of economic growth premised on fiscal discipline, containment
of public spending and strengthening business confidence. This shift was expressed in
the move to the GEAR strategy in 1996, which subordinated, in particular, the
expansion of public spending and state intervention within the development sphere
(Barchiesi 2001; Levin and Weiner 1997). The genesis of this shift articulates South
Africa’s gradual move away from a desire to pursue a state-led developmental model
to that of a market-led developmental model. Within the framework of the new
democratic government, the resolution of the land and agrarian question has become
part of a broader project of forging a national consensus through national
reconciliation. However this broader project is being constructed through a
conception of reconciliation, which constitutionally entrenches private property rights
established during the colonial and apartheid eras. The adoption of a market-led land
reform signified a triumph for neo-liberalism in the land debate in South Africa
(Levin and Weiner 1997: 6-7) but equally revealed the inherent limits of the policy in
correcting the skewed ownership patterns of land in post-apartheid South Africa
which had been accorded legal acknowledgement through the century-old land
dispossession experience that Africans endured.

For instance, Clause 25 of the Bill of Rights establishes property rights under which
nobody may be deprived of their property. Expropriation of property is permitted for
public purposes only, and subject to the agreement in the payment of compensation. The constitution thus entrenches formal equality before the law, while maintaining material inequality in respect of the distribution of land ownership. The shift, from the implied nationalisation of land in the Freedom Charter, to the recognition of the legitimate rights of the present landholders, in effect means that the unequal division of land will only be tinkered with but not fundamentally transformed (Hendricks 2001: 298-299).

One of the key problems in South Africa’s transition is the success of the apartheid regime in dominating constitutional negotiations, by restricting what is achievable and linking the parameters of policy to the inevitable compromises of the negotiations. In this manner, popular demands are restricted to what is acceptable to the previous regime. Quite clearly, the programme of the Freedom Charter had been renounced in order to reach out, in the spirit of national reconciliation, to the existing white landholders (Bernstein as cited in Hendricks 2000: 296). The successful diffusion of World Bank ideas into South African land and agrarian reform policy discourse was made possible by the perception that there are no other practical options available. This misperception is generated in part by South Africa’s historical isolation combined with the recent global hegemony of neoliberalism; the failures of traditional developmentalism are generally not recognized, while the failures of existing socialism are accepted (Levin et al. 1997: 263). The ANC’s land reform policy was constructed around the World Bank’s 1993 prescriptions of a willing-buyer-willing-seller approach coupled with a limited state grant, the protection of private property, and compensation based on market value for any expropriated land. The Bank had suggested a 30% transfer of agricultural land within the first five years of democracy. In its first decade of democracy, the Department of Land Affairs (DLA) fell far short of the objectives it set itself, let alone the ambitious targets implied in the World Bank models. It is evident from the aforesaid that the resolution of South Africa’s agrarian question is set within a limiting political economy which defines the normative limits of its own success.

Land Reform is further complicated by the absence of organized rural resistance around demands for land. This is exacerbated by a lack of political will on the part of the state to do anything that may upset the delicate balance between the necessity for
delivery, on the one hand, and the guarantees of property rights enshrined in the constitution, on the other. It is a balance that has structured the inertia in respect to land redistribution. Both the policy itself and the means of implementing it require serious attention. The contradiction in the policy, together with the state’s administrative and resource incapacities, combine in a manner that favours continuity with the practices of the previous regime, rather than a fundamental break with the past (Hendricks 2000: 298). There is an increasing consensus around the limits of South Africa’s land reform programme. Land reform has remained a marginal issue during the transition and consolidation of the democratic process. One of the implicit aims of the land reform programme has been to maintain stability in rural areas, contain any political destabilization and consolidate the land market (Greenberg 2002: 16).

The potential for far-reaching land reform is restricted by current initiatives stressing market forces as the chief mechanism for land redistribution. Markets are never truly free, they are bound by social and political power-relations which determine their regulation. The market-driven approach presumes existing wealth as a key entry requirement. This assumption is fraught in the sense that millions of poor South Africans are likely to be excluded from the reform process while the wealthier sector will gain access. The market-based approach is often seen as paternalistic, patronizing and ahistorical in that it does not recognise perceived injustices or non-monetized rights to land. Similarly, it does not recognize the financial weaknesses of rural black people as a result of apartheid policy. Hence the potential for land reform to succeed is compromised by current initiatives, that stress the market as a distributive mechanism.

The problems outlined here had a decisive impact on the rate of delivery the DLA could embark on, as noted earlier. The low rate of implementation is partly due to the institutional, financial and resource handicaps which afflict the current policy. Necessary institutional structures have been put in place to achieve the land reform objectives. However, the gap between political expectations and administrative capacity seems particularly difficult to bridge (Adams et al. 1999:1). For instance, by the year 2000, 340 redistribution projects had been carried through to land transfer. These involved the transfer of a total of 663 373 hectares of land to 37 091
households, of which 14% were female headed. By the end of 2002, a total of 1,480,835 ha of land had been transferred through land redistribution to an estimated 130,000 households (Hall, Jacobs and Lahiff, 2003). DLA’s own quality of life survey concluded in 2000 that both the performance and impact of the redistribution programme had improved since the previous survey in 1998. Although poverty remained widespread among the “beneficiaries”, these people were engaging in agricultural and non-agricultural production (Ibsen and Turner 2000). The redistribution programme is beset by numerous problems, such as the inexperience of officials in conducting land transactions, leading to lengthy delays and loss of interest from sellers; reliance on current land owners to determine when, where and at what prices land is made available; poor co-ordination with provincial departments of agriculture and local government, leading to poorly designed projects and lack of post-settlement support; unwieldy group schemes; cumbersome approval mechanisms that require ministerial approval for every project; and the imposition of inappropriate “business plans” on poor communities (Lahiff 2001: 4).

Within the restitution pillar, a total of 63,455 claims were lodged with the Commission on Restitution of Land Rights (CRLR). By the end of 2002, 36,279 had been settled (Hall, Jacobs and Lahiff 2003: 5). This number increased to 48,463 by the end of February 2004. Of this, 42,490 were urban claims involving 259,671 beneficiaries, and only a paltry 5,973 were rural claims which accounted for 356,758 beneficiaries. The total number of beneficiaries involved was 616,429 (Cumulative Statistics on Settled Restitution Claims, South Africa, Department of Land Affairs 2004). As noted in these statistics, a majority of these claims were urban based and most of them were settled through monetary compensation instead of land. The key challenge for restitution is to restore land in such a way as to support reconciliation, reconstruction and development.

However, the potential success of restitution has been constrained by poor integration with other national, provincial and local government programmes. Where tangible developmental benefits have occurred, this has generally been attributable to considerable external support, coordinated planning and the active participation of claimants themselves. The cost of restitution is another major challenge. Restoration of the original land occupied by claimants is not feasible in most urban claims, and
the majority of these are settled through financial compensation. The dilemma facing the Commission on Restitution of Land Rights is understandable when the current capital budget for restitution of around R 200 million per annum is compared to projected costs, which could exceed R 30 billion (Lahiff 2001: 4). The major challenge for restitution remains the settlement of rural claims in a way that contributes to the larger goals of land reform: redressing the racial inequities in land holding, while reducing poverty and enhancing livelihood opportunities (ibid.).

Tenure reform is the third leg of the government’s land reform programme. Tenure policy remains undeveloped and contested in relation to developing a new tenure bill. Tenure reform implies the protection or strengthening of the rights of residents of privately owned farms and state land, together with the reform of the system of communal tenure prevailing in the former homelands. Two key challenges facing rural tenure include: reform of the chaotic system of communal land in the former homelands, and long-term security of tenure for residents of privately owned farms. Almost all the land in the rural areas of the former homelands is still legally owned by the state. Decades of forced removals and discrimination against black people have resulted in severe overcrowding in many areas and numerous unresolved disputes where the rights of one group of land users overlap with those of another (Lahiff 2001: 1-2).

Several laws affecting tenure have been passed, the most significant are the Land Reform (Labour Tenants) Act, the Extension of Security of Tenure Act, the Communal Property Association Act, the Interim Protection of Informal Land Rights Act, 31 of 1996, and the Communal Property Associations Act, 28 of 1996. The Interim Protection of Informal Land Rights Act is a holding mechanism that prevents violation of existing interests in land until new long-term legislation is in place. The Communal Property Associations Act provides a legal means through which groups of people wanting to hold land jointly can organize tenure (Makopi 1999: 144).

On the other hand, the Extension of Security of Tenure Act, 62 of 1997 (ESTA) addresses the relationship between occupiers and owners, as well as the circumstances under which evictions can take place, and the procedures to be followed. The Act is underpinned by the following principles. The law should prevent arbitrary and unfair
evictions; existing rights of ownership should be recognized and protected; and people who live on land belonging to other people should be guaranteed basic human rights. In essence, this law promotes long-term security on the land where people are living at the moment. None of these laws, however, deals with the complex system of administering tenure in the former homelands and state-owned land that is the result of a myriad of inconsistent laws, proclamations, regulations and procedures. This is compounded by the gradual erosion of the administrative systems over many years as a result of the contestation of traditional authorities and their lack of budgetary resources to carry out these functions (Hornby 2000: 312).

The Communal Land Rights Bill (2003) addresses the question of land tenure in South Africa. The key aim of the draft communal land rights bill is to give effect to section 25 (5), (6) and (9) of the constitution which requires the state to take reasonable legislative and other measures to enable citizens to gain access to land on an equitable basis, give legal recognition to land tenure rights held by communities and their members on communal land in terms of this bill. Land tenure rights entail the right to own, occupy, use or alienate communal land that is held collectively by the members of a community or individual households or individual persons.

Administratively, the bill aims to regulate decision-making processes in the management of land tenure regimes and provide for the registration of land tenure rights. These legislative and administrative processes aim to provide, in the context of the bill, the overall protection of fundamental human rights contained in the Bill of Rights in the Constitution. These include the right to equality, especially gender equality in respect to the allocation, use of, or access to land, the democratic right of the members of a community to choose the appropriate land tenure system, community rules and administrative structures governing their communal land and the right to democratic participation by the members of a community in decision-making processes affecting their tenure rights (South Africa, Department of Land Affairs, 2003). However this bill was passed in parliament despite a barrage of criticism coming from the NGO, academic and community sector. Critiques felt that the bill was unimplementable given the numerous procedures applicants are subjected to, and it also opens up spaces of conflicts between its different stakeholders ranging from traditional authorities, local government, and communities affected by the bill. The
bill also operates on an antiquated “replacement paradigm” that has been tried and tested elsewhere with minimal success in countries such as Kenya.

The other major problem facing the land reform policy is the institutional challenge. Major institutional issues, particularly those relating to the devolution of powers and responsibilities for land reform at the local level, have yet to be satisfactorily resolved due to weak local-government structures. Weak institutional structures at national-provincial- and local-government levels, along with inadequate resources, have thwarted the implementation process of the land reform policy. As noted by Jacob et al. (2003), experiences with implementation have been uneven, both across programmes and in different parts of the country. There have been improvements in the pace of the programme, though all the three components of the land reform programme have, by and large, fallen short of their targets. Lahiff (2001) aptly observes that the lacklustre performance of DLA, together with the virtual silence of senior political figures on the land question until very recently, suggests that land reform has not been a political priority up to now. Poorly articulated demands among the poor and landless, and limited capacity among NGOs in the land sector can also be cited as factors contributing to the lack of progress.

These sets of problems led to a fundamental rethinking on the part of the Department of Land Affairs on the need to initiate new radical reforms that would address the current policy inertia. By mid-1999, the tension between the limitations, on the one hand, and the ambitious goals of these programmes on the other, had become so severe that a fundamental rethinking of many aspects of policy was clearly necessary. This was widely recognized in the rural sector despite the significant increases in delivery of land under both redistribution and restitution, which were beginning to be evident in the annual reports of the Department of Land Affairs (Cousins 2000: 2-3). A ministerial review on land restitution was completed, and far-reaching changes in the administration of the programme were initiated in 1999. A systematic attempt to adjust redistribution policies and procedures to achieve a better fit between complex rural realities and the “products” of the department were under way, and the issues of integration and improved coordination within government at large were acknowledged as crucial if more equitable access to land was to serve the goals of agrarian reform and meaningful rural development (ibid.). Despite all these
challenges, new policy initiatives aimed at creating a commercial stratum of black farmers were proposed by the Department of Land Affairs in February 2000.

The change in policy was also a reflection of the change in leadership structure that had taken place in the Department of Land Affairs. With Thabo Mbeki taking over the presidency in 1999 from Mandela, there was a renewed focus on the need to consolidate a conservative macro-economic policy framework with its driving force, market liberalization as the driving force in the development process. The key focus of Land Affairs Minister Derek Hanekom during the period 1994-1999 had been to direct state resources towards the rural poor and the landless, and to focus on reform at the grassroots level. Hanekom’s attempts to make poor black people the beneficiaries of land reform did not correspond with Mbeki’s vision of making South Africa the engine of the African Renaissance and of building South Africa into an economic centre for the African continent. He also faced opposition from the predominantly white South African Agricultural Union and the predominantly black National African Farmers’ Union. Both of these farmers’ unions wanted to foster a black commercial farming class, a priority that they shared with Didiza but not with Hanekom (Greenberg 2002).

Hence the Minister of Land Affairs and Agriculture, Thoko Didiza, in February 2000 initiated a policy document entitled “Strategic Directions on Land Issues”. The cardinal focus of the policy is to gradually change the structure of South African agriculture by opening up opportunities for a significant number of black commercial farmers to operate on medium and large-scale farms. In her policy statement (2000), Minister Thoko Didiza, argued that land reform could not succeed unless it was approached in an integrated fashion. This required coordination and joint planning by relevant departments and, in particular, joint planning and policy development in the Departments of Agriculture and Housing. The new policy initiatives were set against the back-drop of the limitations that existed within the three pillars of the current land reform policy.

Given this context, it was argued that the priority for the years 2000-2001 would be to speed up the settlement of restitution claims and to review the current method of calculating monetary payments. It was also noted that there was a need to reduce
administrative costs through closer collaboration with other relevant departments and a restructuring of the restitution process to speed up claims. There was a need to come up with an integrated approach to restitution policy that would encapsulate development concerns as integral issues to achieve in the process. Rights restoration without investing in development projects was an inadequate reform in itself. As far as tenure reform is concerned, it was necessary to achieve uniformity in the system of land administration and land holding. Within the redistribution programme, it emerged that the structure and the implementation of the settlement land acquisition grant (SLAG) and other redistribution projects had several limitations that impeded the attainment of objectives as set out in the White Paper on South African Land Reform Policy (South Africa, Department of Land Affairs 1997). One of the limitations noted was that the current approach had not permitted a full realization of land reform policy objectives as envisaged in the RDP document. The programme as a whole was not embedded within the broader strategy of achieving an integrated rural development in the rural areas. Delivery of land was prioritized over agrarian transformation under the old programme.

The placing of responsibility on market forces as a core redistributive factor had not produced the desired effect and impact. It had limited the level of choice, suitability and quality of land parcels acquired for the beneficiaries of the land reform programme. The manner in which the process had been structured had impacted on land prices, and the Department of Land Affairs has had to pay inflated prices for marginal land. This had brought about unintended consequences, which had impacted on the land reform programme. The grant programme in its current form had not made any significant contribution to the development of semi-commercial and commercial black farmers. It created very little new rural employment. Nor did it transform the racial character of agricultural land holdings (South Africa, Department of Land Affairs 2000). Hence the new policy had to take into account the different needs of beneficiaries.
The Land Redistribution for Agricultural Development Sub-Programme (LRAD)

In August 2001, the Department of Land Affairs (DLA) launched a revised programme, Land Redistribution for Agricultural Development (LRAD). LRAD has been promoted by the DLA as its flagship programme through which it will pursue the objectives of land redistribution. The broad aim of the programme is to provide support to black South Africans over the age of 18 years who wish to farm on any scale. However increasing emphasis has been the need to create a class of “emerging black farmers” in South Africa (Jacobs, Lahiff and Hall 2003: 1).

LRAD aims to transfer 30% of the nation’s medium and high-quality agricultural land—a total area of 24.66 million hectares—to blacks over the next 15 years (ibid.). To achieve this target in such a timespan would require an average annual transfer of 1.64 million hectares. The total cost of the programme is estimated at R 16-22 billion. The programme aims to be a single, integrated facility for redistribution and is designed to provide grants to black South African citizens to access land specifically for agricultural purposes. The strategic objectives of the sub-programme include improving nutrition and incomes of the rural poor who want to farm on any scale; de-congesting over-crowded former homeland areas; and expanding opportunities for women and young people who stay in the rural areas (South Africa, Ministry of Land Agriculture 2000: 5).

The overall policy thrust of LRAD is underlined by the following cardinal principles that frame its policy tenets:

- it is a unified programme and beneficiaries can use it in flexible ways according to their objectives and resources;
- all beneficiaries make a contribution in kind or cash, but varying in amount;
- it is demand directed—beneficiaries define the project type;
- implementation is decentralized: local-level officials provide opinions and
assistance in the preparation of the project proposal;

- inter-departmental collaboration will take place at all levels of government, with district government assuming a key role;
- projects will be undertaken in a manner consistent with district and provincial spatial development plans;
- projects are reviewed and approved at provincial level; and
- local-level staff assist applicants but do not approve the application;

One of LRAD’s key aspects is that it is demand driven in the sense that beneficiaries define the project type and size they want to pursue and the implementation of the projects will be decentralized at the district level. LRAD encourages participants to design what works best for them and the target beneficiaries are supposed to make a contribution (in kind or cash) based on their abilities.

Beneficiaries can access grants under LRAD on a sliding scale, depending on the amount of their own contribution in kind, labour and/or cash. Every individual makes at least the minimum contribution in cash, labour, and/or kind. Those beneficiaries who make the minimum contribution of R5 000 receive the minimum grant of R20 000. Those who make a higher contribution of own assets, cash and/or labour receive a higher grant, determined as a basic proportion of their own contribution. The grant and own contribution are calculated on an individual adult basis (18 years and older). If people choose to apply as a group, the required contribution and the total grant are higher according to the number of individuals represented in the group. The approval of the grants is based on the viability of the proposed project, which takes into account total project costs and projected profitability (South Africa, Ministry of Land Agriculture 2000: 7).

Own contribution by beneficiaries in labour can be for up to R5 000 per individual applicant. In order for the applicant to claim the full R5 000 in own labour towards the own contribution requirement, the business plan must show evidence that the applicant intends to devote a significant amount of own labour to the establishment and operation of the project. The contribution in kind could be calculated by costing assets such as machinery, equipment, livestock and other assets that a beneficiary may possess. The cash contribution can be in the form of one's own cash contribution to
the project, or borrowed capital, or a combination of the two. These three forms of own contribution can be added in any combination to make up the required own contribution from the beneficiary (ibid.). The grant given to the participants is meant to cover expenses such as acquisition of land, land improvements, infrastructure investments, capital assets and short-term agricultural inputs.

For experienced and well-endowed farmers, the total project costs can range up to R500 000 or higher, of which the grant can cover up to R100 000. The remainder (about R400 000) would be financed through a combination of normal bank loans approved under standard banking procedures, and own assets and cash. Farmers choosing this option would have to possess managerial skills adequate to handle the debt, as well as prior experience in agriculture. Land would be either owned or leased on an individual or household basis (ibid.). LRAD policy also allows beneficiaries to “trade up” or graduate from one grant level to another. Grants may be accumulated until the ceiling of R 100 000 (the maximum level of the grant) has been reached (Jacobs, Lahiff and Hall, 2003: 4). The following table (1) shows how grants applications work.
Table 1: Sliding scale of grants and own contribution

The minimum grant amount is R20 000, which can be accessed with an own contribution of R5 000. The maximum grant is R100 000, which will require an own contribution of at least R400 000. If the participant contributes more than this amount(s) he/she can still only access a grant of R100 000. Between the minimum and maximum amount, a continuum of grant amounts is available, depending on the participants' own contribution (as highlighted in the graph).

Matching grant scale

Taking a range of own contributions as illustration, we have the following:

<table>
<thead>
<tr>
<th>Own contribution R</th>
<th>Matching grant R</th>
<th>Proportion of total cost %</th>
</tr>
</thead>
<tbody>
<tr>
<td>5 000</td>
<td>20 000</td>
<td>20</td>
</tr>
<tr>
<td>35 000</td>
<td>40 871</td>
<td>46</td>
</tr>
<tr>
<td>145 000</td>
<td>68 888</td>
<td>68</td>
</tr>
<tr>
<td>400 000</td>
<td>100 000</td>
<td>80</td>
</tr>
</tbody>
</table>

The LRAD sub-programme is flexible enough to accommodate a number of types of projects. Moreover, residential projects would not be supported under LRAD unless beneficiaries sought to establish household gardens at their new residences, and unless funds for top-structure were sourced from elsewhere, e.g. Department of Housing.

Under LRAD, four broad sub-programmes were initiated. The first programme are the food safety-net projects that will give the participants the opportunity to access land for food crop and/or livestock production to improve household food security. This can be done on an individual or group basis. These are small-scale projects since poor people only have to mobilize the minimum own contribution in cash, labour and materials (South Africa, Ministry of Land Agriculture, 2000: 5).

The second programme of equity schemes is aimed at aiding the participants to receive equity in an agricultural enterprise equivalent to the value of the grant plus the own contribution. These schemes are targeted at people actively and directly engaged in agriculture. The grant recipient in the case of the equity scheme has to be both a co-owner and employee of the farm.

Production for markets is the third LRAD sub-programme and is aimed at commercial agricultural markets. Participants in these programmes access the grant and combine it with normal bank loans, approved under standard banking procedures, and their own assets and cash to purchase a farm. This sub-programme targets applicants who have more farming experience and expertise than those accessing land for subsistence or food-safety-net-type activities (South Africa, Ministry of Land Agriculture 2000: 5).

Agricultural initiatives in the communal areas are the fourth sub-programme of LRAD. These programmes are meant for people living in the communal areas who have access to agricultural land but may not have the means to make productive use of that land. These people would be eligible to apply for assistance so as to make productive investments in their land such as infrastructure or land improvements (South Africa, Ministry of Land Agriculture 2000: 5). As far as gender issues are concerned, LRAD notes that the new initiatives provide an excellent vehicle for
redressing gender imbalances in land access and land ownership, and thus in improving the lot of rural women and the households they may support. Under the Agricultural Development sub-programme, adult individuals can apply for grants in their own right, rather than as members of households. This means that women can apply for grants to acquire land individually, or can pool their grants with whoever they choose, thus augmenting their control of the manner in which they benefit from the sub-programme.

However, for the sub-programme to accomplish its overall goals in respect of women, it must ensure that women are able to participate on an equal footing with men in all aspects of implementation. For instance, women-only projects are to be encouraged and in terms of targets, not less than one third of the transferred land resources must accrue to women (South Africa, Ministry of Land Agriculture 2000: 5). Successful applicants in these projects will be expected to participate in training courses and activities designed to assist them in the successful operation of their farms and gardens. LRAD initiatives have set up opportunities for participants to increase their level of participation within the programme. For instance, beneficiaries will be allowed to graduate from smaller to larger farms, and will be able to access LRAD to facilitate investment aimed at boosting their farming initiatives. Those who have previously accessed the Settlement/Land Acquisition Grant (SLAG) are eligible to apply, though priority will be given to first-time applicants (South Africa, Ministry of Land Agriculture 2000: 11).
LRAD PROJECT LIFECYCLE

- **Project Identification**
  - Lodging application

- **Project Design**
  - Appoint service provider, prepare business proposal, land survey

- **Project Approval**
  - Provincial Grant Committee approves project

- **Project Transfer**
  - Conveyance of land, balance of grant money transferred

- **Post-transfer Stage**
  - Greater involvement of DoA in assisting beneficiaries in agriculture
As summarized in the schema (p. 23), during the **project identification** stage, the intended beneficiaries are informed about the programme options available by an official of Land Affairs or from the Department of Agriculture. They then decide on the desired amount of the grant according to their preferred own contribution. They also decide whether to apply individually or as members of a self-selected group.

They then locate an available area of land, either previously known/identified, or through the assistance of an estate agent or a DLA or agricultural officer. Once a suitable area of land has been located, the participant(s) enter into a contingent contract with the seller (South Africa, Ministry of Land Agriculture 2000). They then obtain and complete an application form, which is available from all offices of the Department of Land Affairs and Agriculture.

In the **project design** stage, with or without the assistance of a design agent, the participant prepares a farm plan/land-use proposal/business plan/project proposal which would include the following:

- loan or financing arrangements;
- legal entity or institutional arrangements;
- subdivision sketches;
- environmental impact assessments and sale agreements;
- land-rights investigations;
- title deeds;
- valuation;
- farming plan; and
- training programme.

The participant obtains evidence of additional financial resources (loan, own resources, or both). In terms of contributions in own labour, an individual applicant can claim up to R 5000. In the **project approval** stage, the participant submits all documentation to the local agricultural officer to receive his or her opinion on the feasibility of the farm plan (project) including its agricultural potential, and the value
of the land relative to market prices. Once the local agricultural officer has provided
an assessment, the participant submits the proposal package to the provincial grant
committee (which comprises officers of Land Affairs and Agriculture), that meets
when required. A complete package ready for submission would include:

- the land-use proposal/farm plan (project proposal);
- draft purchase or rental offer for the land; and
- a list of beneficiaries and their contributions, if the proposal is not made by an
  individual.

Upon review of the package, the provincial grants committee makes one of three
determinations:

- complete and in conformity with the requirements of LRAD: approve;
- complete but not in conformity with requirements of LRAD: do not approve
  and state reasons; or
- incomplete: return to applicant and state reasons.

Together with the Provincial Grant Committee, the provincial DLA director, approves
or rejects the application. Once the project has been approved, it enters the fourth
stage, the transfer stage. The Provincial Land Reform Office: Department of Land
Affairs or Land Bank issues an instruction to the conveyancer to initiate transfer. The
grant is paid to the conveyancer upon registration of transfer. The balance of the grant
is then made available as stipulated in the business plan.

In the post-transfer stage, the provincial department of Agriculture is supposed to
move in and assist the beneficiaries in implementing the goals of the business plan,
such as starting farming enterprises etc. The Departments of Agriculture and Land
Affairs and Land Bank are instrumental in implementing the business plan. Beneficiaries
now also receive the training that was identified in the business plan. Joint monitoring of the project is undertaken by the Departments of Agriculture and
Land Affairs. During this phase the Departments of Agriculture and Land Affairs and
Land Bank support beneficiaries by providing additional aid to ensure project
sustainability. This phase thus concludes the project cycle (Source: South Africa, Ministry of Land Agriculture 2000).

In terms of implementation responsibilities, the primary responsibility for design and implementation rests with the applicants. They select the chosen amount of the grant, engage a design agent if required, identify available land, enter into a contingent contract with the seller, apply for a normal bank loan through standard banking procedures if necessary, engage a transfer agent, prepare a farm plan, submit all documentation to the local agricultural officer for an opinion, assemble the completed proposal package, and submit it to the provincial grant committee. In cases where the applicants choose to engage a design agent, the design agent works directly with the applicants. The design agent can assist at any or all stages of the process as requested by the applicants. For example, an agent may be asked to help identify land for purchase, to assist beneficiaries in the preparation of a farm plan and land-use proposals, to prepare a submission to the provincial grant committee, and to assist and facilitate the process of grant approval, if the approval committee has queries (South Africa, Ministry of Land Agriculture 2000).

The provincial grant committee consists of provincial officers of Land Affairs including to the provincial accounting officer, namely the provincial Land Affairs director as well as officials from the Provincial Department of Agriculture together with other necessary departments and stakeholders. The committee’s main functions are to review project proposals and to make recommendations. The committee has to check that the proposal package is complete and coherent, and whether, based on the information provided in the proposal, the project is eligible for approval under LRAD (ibid.).

The DLA, through its PLROs, is the main agency responsible for the processing of grants, although applicants can also enter the LRAD programme through provincial departments of agriculture, the Land Bank or Khula Enterprises (a parastatal development finance institution) (Jacobs, Lahiff and Hall 2003). The national Departments of Agriculture and Land Affairs will be responsible for the overall design of LRAD and for monitoring its impact. The Department of Land Affairs budgets for the grant components of LRAD, while the Department of Agriculture
must budget to ensure that its provincial counterparts are financially prepared to meet their commitment to provide post-transfer agricultural support. Both departments should provide training for beneficiaries, design agents and local land and agricultural officers (South Africa, Ministry of Land Agriculture 2000).

The LRAD programme differs from its predecessor programme, the Settlement Land Acquisition Grant (SLAG) in a number of important respects. Firstly, by making grants available to individuals rather than to households, it substantially increases the level of grant funding obtainable, since each adult in a household can apply. Under LRAD, a typical poor black household with three adults would in theory, be able to obtain three grants of R 20 000 each (a total of R 60 000) rather than one grant of R 16 000 under SLAG. Secondly, the approval and implementation of projects has been decentralized to provincial and district levels of governance. Closer cooperation is expected between various government departments and spheres of government, with an enhanced role for district municipalities and provincial departments of agriculture. Despite these changes, considerable continuities with past policies are also evident. For instance, the programme continues to be demand-led, meaning applicants must identify the type of project they wish to apply for and the land they wish to purchase from the land market (Jacobs, Lahiff and Hall 2003: 1).

During the early years of the programme, redistribution was marked by a slow pace of delivery, the small size of grants relative to the cost of land, and the resultant tendency for large groups to pool their grants. Under the earlier SLAG land reform programme, black households with an income below R1 500 could apply. This allowed poor people to access land largely for ‘subsistence’ purposes. LRAD has removed the requirement that applicants must be poor to be eligible for state support and makes available larger grants to individuals able to contribute to the cost of land and investments in production. Ostensibly the LRAD policy provides for a range of commercial and ‘subsistence’ uses, but in practice the programme has favoured commercial agricultural uses of land by those able to make substantial investments. Other components of the redistribution programme, such as municipal commonage and the provision of land for settlement and other nonagricultural purposes have been de-emphasized in recent years (Jacobs, Lahiff and Hall 2003). Given the aforesaid, the LRAD initiative aims to generate an integrated approach to land and agrarian
transformation which its predecessor programme (SLAG; 1994-1999) had failed to achieve. The overall aims of the policy are justified given the structural inequities that exist within South Africa’s agri-sector which is characterized by a bi-modal agricultural sector. However, the formulation of the LRAD process has been criticized as ahistorical, exclusive and one that is embedded within institutional continuities that have hitherto impeded the success of its predecessor programme. Some of these claims will be substantiated in the next section of the paper.

An Integrated Critique of the Land Reform for Agricultural Development (LRAD)

South African agriculture is characterized by a stark bi-modal agricultural sector. One sector has large farms, freehold tenure, capital-intensive farming systems and a well-developed input, processing and wholesale sector. On the other hand, the small farm sector is characterized with a traditional tenure system, labour-intensive farming systems, and a poorly developed output, processing and wholesale sector. It produces products for family subsistence or for poor consumers (Murray-Prior and Ncukana 2000: 3). Black farmers were prevented from competing with white farmers in the market. They were also denied access to marketing and other credit facilities (Lipton 1993: 359). In the South African context, people in the resource-poor sector reside in the former homelands. They have added disadvantages as the physical infrastructure and educational levels are poor. Hence one finds a highly developed “resource rich” agribusiness with a large size, complex systems of management, and high standards of quality control. This often makes access to this sector very difficult for people who are from the “resource poor” sector. In the agribusiness sector, the laws, institutions and practices have an impact on the operation of the resource-poor sector (ibid.). For instance in the past, Banks depended on collateral and credit history when giving loans and when determining the level of interest. This favoured the resource-rich sector because of its land tenure system, larger capital base and history of borrowing. The other component of the dual agribusiness system in South Africa is that technological development has been directed by the needs of the resource-rich agribusiness system. Local research and development has also been driven by the
needs of commercial farmers from the resource-rich agribusiness sector (Murray-Prior and Ncukana 2000).

In South Africa, white farmers were an important political constituent of the apartheid state. Past governments and associated institutional structures protected and subsidized production and made available large tracts of land, an ample water supply and cheap labour. As a result, productive capacity grew but this was below the optimum level given cost-price ratios and ecological conditions. The level of capital intensity compared to productivity was far too high (Levin and Weiner 1997: 10-12). The opponents of the Large Scale Commercial Farm (LSCF) have argued that post-apartheid South Africa should come up with policies that would support black commercial farmers. Hence, the battery of laws that were set up by the respective regimes helped to institutionalize a bi-modal agricultural set-up with skewed agro-support infrastructure. One of the key aims of land reform is to change this structural inequity that exists with respect to agricultural land ownership and generate a viable agrarian transformation in rural South Africa.

Given the aforesaid, the new policy initiative aims to de-racialize this kind of a bi-modal agricultural sector, which in the past the land reform policy was unable to undo. Approximately 20 000-30 000 white farmers currently own 102 million hectares of land, alongside 1.2 million black small-scale farmers who share about 17 million hectares in the former homelands. Hence from a historical point of view, one would accord credence to the underlying objectives of the new policy. However this exercise has the potential of accentuating and re-configuring new and complex forms of “gender and class-based rural inequalities”. These justifiable objectives are set within the current maze of institutional, resource and ideological challenges, which have subsequently locked the policy in a state of inertia when measured against its anticipated outcome. Most of these challenges were identified during the pilot phase of the programme in 1996, and similar criticisms were levelled at the government’s Green Paper (1996) and White Paper (1997) on South African Land Reform Policy. After five years of experience with the present land reform policy, a consensus has emerged that the current policy in practice is unable to reflect the objectives of the Land Reform Policy in achieving rural development and stimulating agrarian transformation. In essence, the programme has failed to generate “an engine of
growth” for rural economies, which remain in total stagnation. The complex procedural nature of the policy itself has tended to disenfranchise rural communities who are unable to appropriate the policy tenets to their own gain.

Land Redistribution for Agricultural Development (LRAD) has the potential to significantly improve the livelihoods of the rural poor and to contribute towards economic development. However, one of the greatest challenges facing LRAD is the absence of post-transfer support services as envisaged within the policy itself. This is a problem that has persisted since the inception of South Africa’s land reform implementation programme in 1994 as experienced through the old SLAG redistribution programme. The new policy directive clearly identifies the need to create a class of emerging black farmers. This is informed by the need to go beyond the notion of land transfer and delivery as the final product of a land reform process. The notion of a land transfer and delivery has had the effect of disengaging the programme from a broader framework of agrarian transformation. The subsequent effect has been that community beneficiaries are unable to engage in viable agricultural ventures, which to date have remained a key domain of white farmers. The observation made in the new policy document is worth noting. However, the extent to which these new initiatives would close the inequality gap in the rural areas remains a salient and controversial issue.

LRAD envisages a hierarchy of black farmers who are characterized as ‘subsistence’, ‘semi-commercial’, ‘pre-commercial’ and ‘commercial’. It is hoped that state interventions will assist large numbers of people at the subsistence level (Hall and Williams 2000). The policy makes a false dichotomy between commercial, “market based” agriculture, on the one hand, and farming as a “food safety net” on the other. With a lineage as old as colonialism, this stereotype of African agriculture is an attempt to separate the mass of “backward peasants”, farming on household plots in the reserves, from “progressive” market-oriented farmers who deserve to own land under individual title and to receive support from the state (Cousins 2000: 2). This is a ranking system based on a set of value judgements about farmers imbued with stereotypical differentiation which relegates the category “subsistence” to a sub-order, and which distinguishes small from large farmers according to the scale of their enterprise. The subscript is that subsistence farmers are something different—
subsistence producers—and that their putative household orientation presupposes that “subsistence” is choice rather than historical consequence, and implies an inherent inability to transcend the categorical divide. Since market production becomes the indicator of success, the “subsistence” farmer, on these terms, personifies failure (Taylor 2000: 10). Implicit in these categories is an evolutionary model of agricultural development, articulated as a hierarchical ordering in which there is a progression from subsistence to emerging and finally to progressive or commercial farming. In their efforts to transcend race, the classifications are transmuted into a class divide that reflects the neo-liberal policies adopted by the post-apartheid state. In other words, some may ‘emerge’ whilst others will not, but the rights of all will be entrenched (ibid.). Such rigid categorizations tend to obfuscate the diverse nature of rural social relations and livelihood strategies that exist in rural South Africa. For instance Hendricks (2004: 15) aptly notes that it is extremely difficult to accommodate these variations without reproducing them. A case in point is the fractured nature of agricultural production in South Africa. Apartheid created two agricultures; commercial agriculture on white-owned farms and subsistence agricultural production in the reserves. Any policy has to take these differences into account. However, if such a policy merely reproduces the differences then the same old apartheid divides in land will be perpetuated.

The Department of Agriculture equally echoes a similar dichotomization when it states that its main task is to establish an environment where opportunities for higher incomes and employment are created for resource-poor farmers alongside a thriving commercial farming sector. To do this, the policy aims to achieve the following goals for policy reform:

- to build an efficient and internationally competitive agricultural sector; and
- to support the emergence of a more diverse structure of production with a large increase in the numbers of successful smallholder farming enterprises (MALA 1998).

Such rigid categorizations are inadequate if farmers are to be differentiated in a meaningful sense. Instead one needs a more nuanced understanding of what farmers
do, since agricultural output is determined not by a category but also by the opportunities available along a spatial-temporal set of axes subject to factors ranging from rainfall to cash position. It would follow that farmers move between categories dependent on these factors. Gatter (1993: 167 cited in Taylor 2000), in arguing against the false distinction between “subsistence” and “commercial” in Zambia, states:

....it is not just the consistency in use of categories which is the problem, but their relevance in the first place, and that a tendency to work with categories can be a tendency to analytical rigidity.

Taylor (2000) argues that such value-laden and normative categorizations of “subsistence”, “emerging” and “commercial” farmers denies one the opportunity to intricately understand what low-resource farming is all about—the agricultural knowledge which frames their activities is erased in such rigid categorizations. Such a quantitative way of grouping and understanding agricultural growth tends to conceal the qualitative aspects of agriculture such as the goals, aspirations or needs of the farmer or the values that farmers attribute to some crops over others. It also says very little about the way in which agriculture forms part of culture and gives meaning and identity to successful farmers, in particular, in the former Bantustans. In equating agricultural success or failure with an agricultural yield rather than a socio-cultural outcome, agriculture is reduced to an absolute figure rather than an understanding of its qualitative dimensions. Although the agricultural practices of low-resource farmers are reflective of the hegemonic forces that, in condemning them to marginality, dominate their lives, one cannot ignore the tactics employed by marginalized groups or individuals in their daily struggles of social reproduction.

Andrew et al. (2003: 1) advocate a change from this kind of dualistic characterization of South African agriculture (commercial vis-à-vis subsistence) with what they call a “continuum of farmers” approach. This approach recognizes and supports a broad range of large and small-scale, full-time and part-time, as well as commercial, peasant and subsistence farmers. This is an approach that should recognize the wide variety of productive uses of land and natural resources amongst residents of communal areas and land reform beneficiaries, and the significant value of these uses as well as
recognizing the problems experienced in enhancing land-based livelihoods to their full potential. This is because land-based livelihoods make a much more valuable contribution to rural livelihoods than conventional wisdom enshrined in the commercial-subsistence dichotomy analysis dictates.

Linked to this drive towards a linear determinate commercialization is an implicit class bias entrenched within the policy objectives. The policy targets a stratum of well-resourced and skilled farmers. For instance the target beneficiaries are expected to choose the grant they want, engage a design agent, enter into a contract, apply for a bank loan, and come up with a proposal report among other lengthy bureaucratic imperatives. These assumptions are invalid since they operate on the basis that local communities have the capacity and sophistication to effectively appropriate the processes set forth in the new programme.

Limited provisions and strategies on how the current programme orientation responds to the needs of small-scale farmers are inadequately discussed. State and private-sector extension services, are presumably expected to provide for black commercial farmers as they have always provided for whites (Hall and Williams 2000). The new programme assumes that commercial banks will provide the bulk of the finance for the emergent black commercial agriculture that the programme will support. However, since the inception of the land reform programme, commercial banks have shown little inclination to offer credit facilities. Unless there are radical changes in the economic outlook of the sector, their attitude is unlikely to change (Ibsen and Turner 2000: 41).

The new strategy aims to provide for large, medium and small commercial farmers and for subsistence producers. Land for settlement, commonage and non-agricultural production activities will be dealt with under different policies though, without more specific provision, they may find the necessary finance wanting. Budgets are unlikely to be committed to their implementation (Hall and Williams 2000). The new policies reflect the government’s unwillingness to acquire land for the majority of rural South Africans (Hall and Williams 2000) but rather for a few rural elites. For instance, Cousins (2000:2) aptly notes that what is worrying in the new programme is the balance of resource allocation between the relatively well-off but currently small
interest group, and the millions of poor households living either in the former Bantustans or on commercial farms. The total number of commercial farmers is between 20,000 and 30,000. This is a paltry number compared to the bulk of the rural poor who seem invisible in the new policy initiatives. The new programme is not attuned to the realities of rural livelihoods, which incorporate farming as just one strand in a bundle of household livelihood strategies. In fact fewer and fewer existing commercial farmers depend on agriculture alone. Rural livelihoods tend to be multiple and complex in nature. Demand for land as a source of security and housing needs are as important as other lesser sources of livelihoods such as wage labour from the formal and informal labour market (Ibsen and Turner 2000: 41). Therefore, targeting agriculture as a key economic strategy underestimates the plural nature of livelihoods strategies in rural South Africa. This will become evident later in the paper with the case-study project—Calcom—when it will be noted that not all the beneficiaries espouse a patriotic attitude towards the project since they do not see any benefits accruing from the project. Production on the farm has not resumed due to capital shortage.

Despite the barrage of criticism levelled at its policy, the Department of Land Affairs seem steadfast in retaining intact the priority to commit resources to altering the racial profile of the commercial agricultural sector, which is itself in crisis. As in 1994, the new policy combines a change in discourse with institutional continuities, and a return to strategies that have been tried and tested, and have often failed elsewhere or in the past (Hall and Williams 2000). Key institutional questions of procedures and capacity remain to be streamlined in this programme. There is little proof that the national or provincial Departments of Agriculture have the staff or the experience to take on the roles that LRAD is creating for them. Past institutional experience with the DLA shows that it takes a long time to develop the procedures for a new programme and make them work smoothly. There is also a significant risk of abuse in the new programme’s heavy dependence on the private sector (Ibsen and Turner 2000: 41, Lahiff 2001: 5).

The new policy initiatives equally presume that interested community members would have the capacity to appropriate the policy for their own gain. However, this assumption is misleading in the sense that most community members, in particular those who are not accessible to NGOs, often end up being unable to partake in such
policy initiatives. Rural communities need to be capacitated to make sure that the support services opened to them are utilized effectively and in a sustainable way. It is the well-informed community members who benefit from these initiatives and not the poorest members of the community. The need to strengthen not only communities but also civil society organizations so that they can widen the "geographical spread" of their operations is an essential prerequisite, if communities are to be expected to partake in at least the first window of the redistribution grant. The implication therefore is that class polarity would increase in the event of this process. As noted by Lahiff (2001: 5), a key disadvantage of demand-led targeting is that the participation requirements will tend to favour those who already have a reasonably strong asset base, and will tend to exclude those who have none. If the poor prove to be systematically unable to meet the requirements set by DLA, they will be left out of the land redistribution process.

It is envisaged that developing a class of black farmers would generate a positive linkage effect in rural economies. It is stated that “increased agricultural production and employment will strengthen linkages between farm and off-farm income generating activities” (South Africa, Department of Land Affairs 2000a: 6). However under the current agricultural support infrastructure one finds in South Africa, this increase is bound to be incremental because of the historical spill-over effect of some of the skewed agro-policies that were in operation within the agribusiness during the apartheid period. This enabled white commercial agriculture to thrive, though not with optimum production, despite the support it was accorded. Complementary agri-support infrastructure such as credit, cooperatives, extension services and infrastructural developments are bound to be some of the overriding handicaps with which a “black emerging farmer” will have to grapple. This is already evident in the case study (Calcom) discussed later in the paper.

To achieve an agrarian transformation in rural South Africa, there is an urgent need to address and restructure the broader agri-based support services in order to respond effectively to the challenges faced in nurturing a class of black emerging farmers in South Africa. In other words the balance of power within the agri-business needs to be appraised in favour of all stakeholders within the agri-industry. Under the current neo-liberal economic framework, smallholder agriculture is only likely to be a success
story among well-resourced farmers. If poor communities are to succeed in this venture, one needs to go beyond the financial inducements the three windows of redistribution are set to offer and look at how functional the current neo-liberal economic climate is in supporting such a venture in the long term.

The current policy inertia finds itself locked within an institutional quagmire in its implementation stage. The attainment of an integrated land reform strategy under the present institutional arrangements is a distant chimera. The new policy guidelines acknowledge these institutional anomalies. The need to decentralize the land reform process and implementation should be prioritized simultaneously with other policy changes. The need to develop vertical and horizontal institutional linkages and decentralize implementation to the district level may offer a worthwhile starting point for communities to effectively engage with the government at its lowest tier.

For instance, the programme assumes that inter-departmental collaboration will take place with all spheres of government assuming a key role. Projects are supposed to be undertaken in consonance with district and provincial spatial development plans. But in the end, LRAD appears to represent a retreat from the district-level planning of land reform towards which DLA had been moving, and the potential for integrating this process with broader district-level development planning. It is not clear how provincial-level decision-making on redistribution will be articulated with district-level processes. The latter remain set to become the principal vehicle for development planning and management (Ibsen and Turner 2000: 41).

In South Africa, the current policy shift geared to create a class of black commercial farmers is a credible initiative given the demographic imbalances that exist within the agri-sector. However, this new initiative is bound to throw the initial objectives of the programme into further disarray. Creating a class of black commercial farmers will in essence “dovetail” into already existing patterns of social inequality, as exemplified in the dichotomized agricultural sector (small and large-scale farmers) evident in the rural areas. Most importantly, creating a stratum of black commercial farmers without unlocking the imbalances of power in favour of all within the agri-economy will only perpetuate the existing biased agrarian structures in favour of white commercial farmers.
Given the country’s macro-economic strategy (GEAR), as evident in its “liberalised agricultural sector”, the success of the black commercial farmer is bound to be a daunting challenge for South Africa. The logic of the apartheid system within the agri-sector was to destroy the black commercial farmer, as was evidenced in the skewed agro-support services that were established by the system. The double challenge for the current government therefore is not only to unlock the historical “structural constraints” within the agrarian economy but also to “re-orient” the current macro-economic climate to be more sensitive and responsive to the needs of small-scale black farmers in rural South Africa.

It was noted during the course of the field research that technical assistance for LRAD projects is not forthcoming from all the relevant stakeholders as stipulated within the LRAD policy. The participation of the Department of Agriculture and other line departments such as Housing and Labour is rarely involved when required at the different stages of the project cycle. Similar issues were also evident in one of the case studies visited during the course of the research as discussed in the following section.

CALCOM CASE STUDY

Brief Introduction of Project

The local name of Calcom project is Eyethu Farmers Association. This project is made up of 41 members who reside in Barbeton (Mjindini Township) in Mpumalanga Province, South Africa (see maps on pgs. 72 and 73). Eyethu Farmers Association has registered a company/legal entity trading called Calcom Trading 180 PTY LTD. Using an LRAD grant, they were able to purchase two adjacent portions of Moseley farm, namely portion 27 of the Moseley farm 641 JT and portion 9 of the farm Moseley 641 JT for vegetable farming. These farms were owned by two different people. Moseley farm is located about 15 km north of Barbeton along the R40 road to Nelspruit. The nearest town to the farm is Barbeton. The farm falls within the jurisdiction of Mjidini municipality. The total area of the farm is 42,826 ha and 21.89 ha respectively that can be used for various agricultural purposes such as
horticultural produce—cherry tomatoes, vegetables and cassava. The 41 beneficiaries have contributed their sweat equity which amounts to R 205 000.00 (i.e. 5 000 by 41). In return, the beneficiaries qualified for a grant of R 820 000.00 (20 000 by 41). Portion 27 of the farm was R 375 000 and portion 9 went for R 450 000. The total price was R 825 000.

The members of the project reside in Mjidini Township (Barbeton) and their key aim in purchasing the farm was to develop a successful agricultural commercial project. Unlike most traditional land reform projects that register either a CPA or a trust to manage the land, the Calcom project has registered a company as its legal entity to oversee the management of the project, namely Calcom 180 Pty Ltd. The overall aim of the project is to produce sweet pepper and cherry tomatoes in greenhouses (yet to be built). Other crops such as cassava, cabbage, maize and onions will be produced on an open base plan. However the implementation of the farm development proposal has not yet begun as a result of a shortfall in finances to buy start-up equipments for farming. Unlike other LRAD projects where workers buy a going concern and thereafter maintain a continuum of the business, Calcom was previously not a farming enterprise. The previous owners used part of the land for tourism and wooden chalets are a distinctive feature of the farm. Hence the availability of production capital is crucial if commercial agriculture is to begin in this project. Indeed, during the field research, 9 workers were busy clearing the field.

**Infrastructure Available on the Farm**

The facilities on the farm are fully serviced with water and electricity and there are flush toilets available too. This project does not involve the settlement of beneficiaries. The 41 beneficiaries reside in a nearby location (9 km from the farm) called Mjidini location (see pictures on p. 75). From the site scan conducted during the fieldwork, it seems evident that no farming was undertaken by its previous owners. The presence of about 50 mango trees scattered across the two farms are the only distinct farm crops one can find. The two farms are covered with indigenous trees and tall grass which makes access to the farm difficult. The presence of a few scattered houses, a pub and restaurant (at the entrance to the farm), and incomplete
wooden chalets form a distinct feature of the farm. Portion 27 of the farm has 2 three-bedroom houses, 5 incomplete wooden chalets and a pub and restaurant (Kaya Restaurant). Portion 9 of the farm has a four-bedroom house, 1 servants quarters and 1 two-bedroom flat. They are 7 boreholes in total and a storage tank which is currently empty.

The farm is adjacent to the main R 40 road that links Nelspruit and Barbeton. The farm is surrounded by a barb fence and there is a stream that cuts across the farm. They are about 36 pigs kept in the farm. Overall this a newly acquired farm with limited infrastructure that can presently be utilized for any farming enterprise. There are telephone lines within the farm. They are no amenities available on the farm except the pub and restaurant. The closest amenities such as school and playing fields are to be found in the location (Mjidini) which is about 9 km from the farm.

There is a training centre in Barbeton called the Environmental Education Centre in Barbeton which is managed by the Department of Agriculture and Land Administration (DALA). The farm is situated about 15 km north-west of Barbeton along the R 40 road, and 32 km from Nelspruit. Public transport is available along the R 40 road. The beneficiaries use local taxis as their mode of transport to the farm and back to Mjidini location. However the condition of the farm roads on the farm are in poor condition. The tall grass and indigenous trees in some sections of the farm make accessibility to the interior parts of the farm quite difficult (see pictures on p.74). This is mainly because the roads have not been properly maintained for a long time.

In principle, selling produce to nearby towns will not be a problem once cultivation commences. Harvesting of mangoes was done sometime last year by one of the officials of the legal entity of the farm–Calcom 180 Pty Ltd, but the money accrued from selling the mangoes did not reach the company’s coffers. There are 36 pigs on the farm but the beneficiaries do not support this particular project since the pigs were bought by a farm official without the consent of the members of the project.

Since the land was only transferred in October 2003, no ploughing has begun. However, in portion 27 there are about 27 hectares of land that will be used for ploughing once the process commences. There is no farm equipment on the farm as it
was not being used at the time of purchase. The previous owners of the farm used the farm mainly for tourism. Once the cultivation of cherry tomatoes, cassava, vegetables and mangoes begins, access to nearby markets such as Nelspruit and Barbeton will not be a problem.

There is piped water running on the farm with the main source being supplied by two bore-holes situated on the farm property. The farm does not have any irrigation system in place. The water services for the envisaged project (growing vegetables, cassava, cherry and tomatoes) will be inadequate. This is because their main source of water is the two boreholes and according to by-laws they cannot use the bore-hole water to irrigate the land. However, requests have been submitted to the engineering department of the DALA to build a dam on the farm property.

The beneficiaries have access to the police and courts in Barbeton about 9 km away. The Department of Agriculture and Land Administration along with the Department of Land Affairs are involved in this project. However the research undertaken along with the site scan revealed that the DALA is heavily involved in this particular project (The site scan was conducted on 28/June/2004). Their main contact person at the DALA is Mr Sithembiso Mbuyane who has worked closely with the beneficiaries of this project. The key income-generating activity is the rental money they receive from leasing the facilities. Though the terms of the lease are currently under dispute, the beneficiaries receive a paltry sum of R 4 000 in rent from the pub and restaurant on the farm. Hopefully, the sale of the 36 pigs once they are ready will also generate some income for the members along with the next harvest of mangoes.

**The Challenges Facing the Project**

The central aim of the project is to purchase land that could be used for agricultural purposes. Access to land would create more job opportunities for the beneficiary community and subsequently decrease poverty levels. The specific aim is to use the land to cultivate vegetables, cherry tomatoes, cassava and mangoes. However, the key purpose of the project is to acquire agricultural land for commercial farming. This has been achieved with the transfer of Calcom farm to the 41 beneficiaries. However the specific aims of cultivating the different horticultural produce have not yet
materialized as a result of financial restraints the project is facing (Workshop discussions held on 29/06/2004, see picture on p.75). A current lack of government support in this regard has the potential to compromise the actualization of the project’s specific goals.

In the interim stages of the project cycle, the Department of Agriculture and Land Administration assisted the community members with the processing of the applications and the transfer of the land to the beneficiaries. A key official that drove this process unrelentingly is Mr. Sithembiso Mbuyane from the Department of Agriculture and Land Administration who inspired and assisted the applicants in the whole LRAD process, as was equally attested to in some of the interviews conducted with the beneficiaries (Interviews with beneficiaries held between 28 – 29/06/2004). Some basic training around farm cultivation was done by the Department of Agriculture and Land Administration. Technical support from the DALA was consistently available from the time the process started in 2000 (i.e. searching for suitable land to buy) up until 2003 when the transfer of land was completed. The community members have in the recent past attempted to buy land but since government support has not been forthcoming, the process has often stalled. This project is exceptional in terms of the close contact and interaction established between the beneficiaries, the DALA official (Mr. Sithembiso Mbuyane) and the DLA official (Mr. Trueman Moloi). For instance the close assistance DALA officials accorded to this project did not necessitate appointing a service provider. The business proposal was drafted by DALA agricultural economists. According to DALA officials, if the project had a loan component from the Land Bank, then the Land Bank would have taken a leading role in the process. The beneficiaries had attempted to get a loan for the project from the Land Bank and other commercial banks but this never went through. They are no NGOs that are involved in this project so the only technical assistance is from the DALA and DLA which was acknowledged by the participants at the stakeholders’ workshop (held on 29/06/2004 at the farm).

The overall success of this project is compromised by the lack of financial resources to buy equipment required for commercial agriculture. For instance, the beneficiaries intend to allocate 3 hectares of land for the building of 3 greenhouses to be utilized for the production of cheery tomatoes. They have allocated 20 hectares for the production
of peanuts. They have also made feasibility studies and contacts with possible market outlets of their products, such as with Woolworths in Nelspruit. An amount of R 200 000 was left over when the farm was purchased. However this money is inadequate to meet the post-transfer farm development needs. Currently, the project is in dire need of R 1.2 million for the construction of greenhouses. Through the Comprehensive Agricultural Support Programme managed by the DALA, this project has qualified for R 1 million. The balance of the original money from the farm purchase was R 200 000. The combined total of the money the community will have in its possession will be R 1.2 million. However this money will only be adequate for the construction of the green houses which is only one facet of the project which members of Calcom want to pursue. They also need to buy tractors, farm tools and water pumps for farming (Interview held with DALA official, Sthembiso Mbuyane 25/06/2004).

Levelling the ground cannot be done because of a lack of finances to purchase a tractor that could be used for this purpose. If these objectives are met, the project will employ at least 25 people. Currently only 9 people are employed to clear away the fields of tall grass and prune the mango trees. The 9 people are supported from the meagre rental (R 4 000) received from the pub and restaurant on the farm property. The 9 workers struggle to get to the farm since most of them lack the finances required to use public transport on a daily basis and meet their food requirements while at the farm. They poignantly pointed out that “own contribution” or “sweat equity” which qualifies them for LRAD grants is an inadequate criteria to encourage participants to partake in the labour requirements of the project since they lack the finances needed to travel from the location to the farm on a daily basis. If the beneficiaries had a lorry/pick-up, this problem would be resolved (Stakeholders Workshop discussions held on 29/06/2004). This was an oversight in the policy requirements because it assumes that applicants once they qualify for LRAD grants to purchase a farm based on their sweat equity contributions, their labour will be readily available for the farm. The beneficiaries are not keen to offer their labour if it is not recompensed and this is part of the reason, along with lack of production capital, that there is hardly any agricultural production taking place.

It was suggested that the DLA should consider providing training prior to the commencement of the project so that grant recipients are aware of the tasks ahead of
them. Training of grant recipients was felt to be inadequate and in most cases not available when required. The lack of integrated training of grant recipients was also seen as a contributory factor to the projects perceived as “high risk” in terms of their viability and management expertise required to successfully manage a farming enterprise (Stakeholders workshop held on 29/06/2004). In a separate interview had with one of the senior land affairs officials, this issue was starkly noted:

*Upcoming black farmers, they really have the labour, they know how to work on the farm, they know how to produce the product…..they are passionate about their job but the challenge is that they do not know how to run the business, that is the biggest cause of failure and unfortunately our core business as Land Affairs is to buy land and now the question is: Should we receive your application and once we note you do not have the business skills, should we put it aside and send you for training before we buy you the farm, unfortunately if we take this route we will not help even 10% of our community in 5 years (Interview with Mampho Malgas, Deputy Director, Lowveld Region, Provincial Department of Land Affairs, 18/04/2004).*

However with respect to Calcom, the institutional support accorded to the project was satisfactory even though DLAs support for the project was sometimes on an ad hoc basis due to the limitations the provincial offices face. Rapid staff turnover and a high staff-to-project ratio often limits the ability of DLA officials to closely monitor and support the project as intricately as they would like to. For instance the new planner interviewed in this study has 40 projects to oversee on her own. This places enormous strain on the quality and frequency of contact one would like to have with each individual project. Financial resources also dictate the depth and nature of support the DLA can offer to projects. The DLA cardinal mandate is to aide in land transfer, however the Department of Agriculture’s role in farm support development is never forthcoming in the post-transfer stage in this particular project. This is contrary to the policy stipulation which states that the Departments of Agriculture and Land Affairs and Land Bank are instrumental in implementing the business plan. Beneficiaries are to receive the training that was identified in the business plan. Joint monitoring of the project will be undertaken by the Departments of Agriculture and Land Affairs. In the last phase of the project (post-transfer support), the Departments of Agriculture and
Land Affairs and Land Bank (if project has a loan component) will support beneficiaries by providing additional aid in order to ensure project sustainability (Source: South Africa, Ministry of Land Agriculture, 2000).

The absence of a specialized institution that would take over post-transfer support was cited as a major challenge threatening the success of the project. Currently there is no institution that is specifically mandated to provide a holistic post-transfer support and advisory services to LRAD beneficiaries. Among the DLA officials, this mandate is partly relegated to the Provincial Department of Agriculture to provide post-transfer support services. However the Department of Agriculture lacks the resources and expertise required to execute this responsibility successfully. The DLA’s key mandate is to facilitate the transfer of land. This role has been narrowly defined to exclude development of the land and plans are underway to establish a post-transfer support unit within the DLA offices to try and monitor and assist in the post-transfer phase of these projects. However post transfer support is essentially about providing finance and technical support needed for beneficiaries to implement the goals of the business plan which they have drawn up. Technical support without the necessary finances is inadequate since beneficiaries will not be in a position to purchase the vital farm inputs required for the project. Technical support has to be complemented along with the streamlining of finances across the different departments and how project and job appraisals are conceived. In the meantime, the pressure to deliver is an overriding concern that often undermines any opportunities to create a centrally coordinated land reform programme. This observation was emphatically made in one of the key informant interviews conducted:

*I think somebody needs to be given the responsibility in terms of planning. Some departments are involved but the problem is we do not have integrated planning that could help us identify our core priority areas across the board. For instance I have my own applications of a particular farm, I would like them to be assisted, I don’t have a problem with agriculture, I go to the labour department and they have their own priorities and their priorities are not necessarily my priorities, now I am going to push my own priorities but I have to account to my manager because the budget they gave me has to be utilized and accounted for. But why can’t we say to these people that I am buying you*
a farm but let’s bring department A, B, C on board first and let’s identify priority areas and commit our funds collectively. This is bound to take time and the process may lapse into the next financial year which is now going to be a problem. But if someone was to be responsible for the development of commercial farms in the province and be able to identify priority areas and bring all stakeholders on board this may work because we will direct our funds to our core priority areas. But the problem here is that the budgets we manage are committed, if we were to re-direct our budgets to other core priority areas identified collectively and I go back to my department, do I count my budget having been spent and yet I will be asked: how many farms have you bought so far? Literally, looks down your neck and says you should spend your committed budget. So this makes it difficult for us to prioritize and pull our budgets together in an integrated mode (Interview with Mampho Malgas, Deputy Director, Lowveld Region, Provincial Department of Land Affairs, 18/04/2004).

Other notable implementers felt that the lack of coordination along government departments was in itself a sign of how unimportant the land question was within the political discourse as a whole:

The greatest failure I see with the land reform programme is the lack of political commitment on the part of the government. One has to question why only about 0.5% of the national budget is dedicated to the land reform programme. Lack of political commitment on the part of government leads to a lack of integration of the programme as a whole because the land reform programme itself is not linked to local processes such as the IDP, there’s a lack of coordination. One should get buy-ins from other related line departments, budget commitments from other departments should be forthcoming, but because of lack of political commitment, this makes it impossible to implement (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004).
This frustration among the implementers was equally captured in terms of the dilemmas civil servants face when opportunities to cooperate among line departments are obvious vis-à-vis the costs involved in such opportunities:

*The inability of other line departments to come in is still a challenge. If you have not spent your committed funds within the stipulated period then you have not delivered, this is a challenge because cooperating with other departments will be good but takes a long time and you will be judged not on the integrated nature of your projects across the input of other line departments but rather on the number of farms bought, it’s all quantitative. If she has not done so, then she has not delivered on her mandate. The system of accessing people should be reconsidered, what do you consider as delivery? Hence various policies need to be changed in order to accommodate the integration of planning of these projects. We are rushed by the assessment committee so in cases where they see that cooperation will derail the implementation of particular projects, they adopt a go-it-alone approach so as to bring the project to completion within its stipulated time period (Interview with Mampho Malgas, Deputy Director, Lowveld Region, Provincial Department of Land Affairs, 18/04/2004).*

This issue has also received official acknowledgement. For instance, the chief land commissioner, Tozi Gwanya, was quoted as saying in a local South African daily newspaper, *This Day*: "We need a statutory body separate from land affairs that deals specifically with post-settlement support". In her 2004 budget speech the Agriculture and Land Affairs Minister, Thoko Didiza, noted that between June 2003 and March 2004 the department had settled 1,655 black farmers through its Land Reform for Agricultural Development programme, and 19,736 black farmers in total had been settled since the launch of the programme in 2001. However, she noted that their experience of implementing LRAD and the [land] restitution programme over the past 10 years had made it clear that it is not sufficient to provide prospective farmers with access to land without also providing government support for production inputs and technical advisory services. Therefore, a provision for R210 million in this year's budget(2004) has been made for the initial rollout of the Comprehensive Agricultural Support Programme (CASP). Money will be made available to individuals and groups
to set up infrastructure to facilitate the handling and marketing of livestock. And, through its Integrated Food and Nutrition Security Programme, the state hopes to make agricultural starter packs available to poor people (Investor Relations Information Network, 17 June 2004).

With respect to the Calcom project, the cooperation between the DALA and the DLA is commendable but needs to be supported through the availability of funds needed for projects such as Calcom. Budgetary restraints within the Department of Agriculture and Department of Land Affairs seem to compromise their efforts towards cooperating in this particular project. With the necessary support—administrative, finances, expert advisory services—this project stands a chance of succeeding. Its success rate could be higher than other LRAD projects that have a loan component from the Land Bank because they do not have a repayment obligation to any lending institution which lowers their risk failure (Interview with DALA official, Sthembiso Mbuyane, 25/06/2004).

The lack of post-transfer support and finances required is not the only challenge facing this project. Allegations of corruption evident in the controversial lease agreement, the theft of water pumps and electricity cables, the unlawful purchase of pigs and harvesting of mangoes have all contributed to an atmosphere of dishonesty among beneficiaries. Officials of the legal entity managing Calcom 180 Pty Ltd are involved in these allegations and investigations are under way to ascertain the validity of these claims. Calcom has huge potential for generating off-farm revenue streams through leasing its four property. However community members were manipulated to sign an amended lease agreement which virtually gave the person leasing the property the power to renew the lease automatically every 10 years without the consent of the beneficiaries at a minimum rental fee of only R 4000 a month. Such unlawful practices have introduced community dynamics that may compromise the goodwill that this project deserves if it is to succeed.

Allegations of corruption among a few of the officials at Calcom are a cause of concern among the members. As noted earlier in the paper, 36 pigs were bought without the consent of the project members. Money received from the sale of mangoes in 2003 did not reach the company coffers. The lease agreement was
tampered with by the person leasing the property in collaboration with the attorney charged with this process. The project leaders were persuaded to sign the lease agreement without understanding its content. The leaders thought they were signing what had been agreed upon in their previous meeting with their attorney, the person leasing and the DALA official. However, the content of the lease was fraudulently changed and the leadership of the community was tricked into signing it. In fact, the beneficiaries of Calcom want to terminate the contract which might be costly because it will involve a legal process. They have discovered that they were given the wrong document to sign from the one given to them previously for their input/comments. The lease they signed gives the person leasing the property (Mr Leon) the powers to sub-let the pub, restaurant and the houses without the consent of Calcom members. He also changed the terms of the lease from 5 to 10 years with automatic renewal. These are some of the controversial aspects of the lease that have compromised the community from realizing their full income potential from this project. Meetings are currently been held between the concerned parties (the last meeting was held on 27 June 2003, after the author’s field research had ended) and possible civic action is been contemplated against the attorney and Mr Leaon, the person leasing the property. There are also investigations underway to establish the validity of the corruption cases reported within Calcom 180 Pty Ltd.

The members also felt that training should be offered long before the commencement of the farming operation. In the long run, 25 people are going to work in the greenhouse and they will receive training from one of the neighbouring farms, Renei Farm owned by Peter Barker. Since only 9 people are employed on the farm out of a total of 41 beneficiaries on this project, those who are unemployed feel they are not part of the project and lack a sense of propriety towards the project. A sense of disillusionment, as reported by the stakeholders, was rife among the unemployed. In fact, the officials of Calcom 180 Pty Ltd acknowledged that people are not keen to come to meetings because they do not see the tangible success of the project. Therefore the real benefits are yet to be seen. However ownership of the farm is a huge success that is acknowledged by the grant recipients interviewed for this study but turning the farm into a successful commercial enterprise is yet to be actualized. Tangible benefits are yet to materialize to the grant recipients. Transfer of land only took place in October 2003. Cases of corruption on the farm have created discontent.
among the beneficiaries. As noted earlier in the paper, the revenue received from the sale of mangoes last year by one of the company officials did not accrue to the company at all. The 36 pigs that were bought by an official without the consent of the members have not yet reaped any income for the company. According to Sthembiso Mbuyane (DALA official), beneficiaries are not keen to keep pigs on their farms for reasons not known to the official (Interview 25/06/2004).

The key training needs identified during the research was the management of the farm. For instance, the current owners of the farm need to be adequately trained in financial management and specialized training in agricultural management. Grant recipients need to be trained so that they can manage the project successfully. For instance, recipients do not understand business plans and accounting language/jargon seems alien to them and yet they are expected to manage newly emerging farm enterprises. A key caveat to note with regard to training is that not all community members may be interested in training in farm management. Community members tend to have different aspirations, some of which hinge on off-farm employment ambitions which any envisaged training should take into account (Stakeholders workshop discussions held on 28/06/2004). This observation concurs with other analyses done with respect to LRAD programmes where it was noted that once land transfer has been done, most beneficiary groups appear to be left to their own devices. Assistance with agricultural production is delegated to the relevant provincial Department of Agriculture (PDoA), the private sector or the few NGOs that provide such assistance. Unfortunately only a small proportion of communities are able to access assistance from these sources. A particular constraint is the lack of capacity in PDoA (Andrew, Ainslie and Shackleton 2003: 19). For instance, out of the project’s 9 salaried employees, the remaining 32 members are not keen with the project since it does not offer any possible income potential for them. The uninterested members are pursuing other income-generating activities as in the past and will only partake in the farm activities once promising developments are initiated. In Andrew et al. this is defined as ‘straddling’ and refers to cases where land reform beneficiaries do not abandon their previous land and resources to settle on the newly acquired land, but make use of both sets of resources to enhance and optimize their livelihood strategies. This is often due to inadequate land, infrastructure and support services that could sustain viable land-based livelihoods on newly acquired farms (2003: 20).
Other General Challenges Facing the LRAD Process

“The budget of LRAD is too small but the greed is too big”

(Interview with Emile de Kock, Coordinator, Mpumalanga Mentorship and Management Pilot Programme at the Transvaal Rural Action Committee, 19/04/2004).

The above assertion aptly captures the bigger picture in terms of the problems facing the successful implementation of LRAD. The aspirations of LRAD—to transfer 30% of agricultural land within 15 years to black people—is a gallant task when matched against the resources and institutional complexities that stubbornly hinder the actualization of its own grand objective. The new policy is being implemented with scant attention being paid to reforming institutional problems that characterized SLAG, the previous programme. From a resource point of view, even if the implementing institutions were to be streamlined, LRAD objectives would hardly be actualized. As one respondent noted:

The budget allocated to LRAD is very small in itself and yet the money applicants qualify for is far more significant than the previous SLAG grant. The level of delivery has gone down, and the client base has also changed because now more empowered and assertive groups are able to access the LRAD grant and promote their projects more than the really poor groups. LRAD in policy terms says it is accessible to ESTA and Labour tenants recipients, emerging and subsistence farmers alike, but in reality LRAD has only been used by the more empowered emerging groups of farmers, so it is not really promoting the poor people. And who is driving this programme of LRAD? You will see that it is estate agents, farmers and planning agents, they have not changed. It looks more accessible because the numbers are low (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004).
The risk of failure on LRAD projects is quite high because when people buy land with a debt component on land, they have to finance the debt from the first day of operation. This is unrealistic because it takes about 6 months to realize profits from a farm and this can take a year or more and yet assistance to these framers does not come quickly. To have a production loan processed with the land bank will take about 4 to 5 months, and yet you are supposed to pay your debts. This is unworkable because by the time the production loan comes around, you have already missed the planting season and this is one of the problems with the lack of integration (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004). This problem is aggravated by the fact that the Land Bank was under pressure from the government to re-orient its lending procedures towards black farmers, as noted in this assertion:

*There was strong pressure put on the Land Bank to be a key stakeholder in the LRAD process, they are a profit-making institution. They are not a public benefit organization. The reason why they are linked to the state is because the state gives them concessions on tax. They were forced to finance projects even upto 80% of the mortgage/property value. The result of this is that the Land Bank would undervalue the property in order to be able to operate. Standard lending procedures would only allow 60% of the property value be loaned to the applicants but this was not the case with LRAD projects. Therefore the Land Bank was under pressure to cede to some of these demands while still trying to be cautious not to go overboard with its leaning criteria. The idea of financing something to the maximum is a downright bad idea, especially in respect to farming enterprises which are quite seasonal and risky enterprises. It is difficult to get a loan without collateral, even the Mpumalanga Agricultural Finance Corporation will not give you a loan without collateral. What is the government thinking about people they are trying to help* (Interview with Emile de Kock, Coordinator, Mpumalanga Mentorship and Management Pilot Programme at the Transvaal Rural Action Committee, 19/04/2004).
This problem is worsened by the fact that LRAD institutional structures are not convenient in setting up a business. For instance the CPA is mandated to hold and manage the land for grant beneficiaries:

The management of the CPA has to act in the best interests of the community, that is their mandate—to promote equality, democracy and transparency—and the beneficiaries expect them to deliver based on their interests. Then what happens is that the committee get together and work with Land Affairs to acquire land. Suddenly there is a new requirement for management and commercial farming is not anything other than a business, it is about managing risks and this is where there is a massive gap in these laws, the management of risk. And labour is also a problem, do you employ beneficiaries or non-beneficiaries? You employ beneficiaries, you find a beneficiary drinking on his job, you employ a non-beneficiary, they don’t ascribe to the same vision of the project and there’s a problem in managing both categories but ultimately you find that the vision people had in the beginning is diluted in the post-transfer phase of the project, especially when your committee and management are blurred and there is a conflict of interest. Management wants to sort out the farm but they have a different model/vision, hence governance issues have to be sorted out if profits are to be realized. So any new venture has to be approved through a CPA as defined by the Act because a mass meeting has to be called in and members have to support any new management decision, e.g. to spend money. The structure of a CPA is not suitable for business purposes. And then you have a small group of people who have a monopoly of knowledge about management and about the project and the rest of the members may not understand, hence conflicts of interest are bound to emerge. These pressures are even more intense in LRAD projects with a debt component because from day one you’ve got to pay the money back. In this regard I don’t think the department has clearly thought about how to support and strengthen these structures (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004).

In a discussion held with a Land Bank official, it was noted that the Land Bank does
not offer in-depth support to their clients (grant recipients). They only intervene when their client is unable to repay their loan. The Land Bank on its part felt that they do not have the resources to offer agricultural and management support services to their clients. They realize this is a gap in the LRAD structure since production capital and support services are not fully embedded within the LRAD framework. On the other hand, the DLA argues that, as per the policy requirements, the Department of Agriculture is supposed to offer the bulk of the agricultural technical support that grant recipients require to manage their farms. As a result of the technical gaps that exist, the Department of Land Affairs has established a unit called post-transfer support whose sole aim is to assist grant recipients with the required technical support services needed on their farms (Interview held with Raymond Mogopodi, 24/06/2004).

It was also felt thought service providers were not capable of offering quality and specialized advisory support services. It was felt that the 9% of the total project costs that they are often paid is not commensurate with the expected services they are supposed to deliver. Professional liability with stakeholders who fail to deliver in their responsibilities should be instituted by way of punitive measures. Overall it was noted that there was a more urgent need to integrate technical support services within the implementation system than to view technical support as an ad-hoc activity in the post-settlement phase (Interview held with Chris Williams, Director, The Rural Action Committee, 24/06/2004). One of the respondents put it more starkly:

*Service providers are a big problem: they have a severe lack of integrity, they are opportunists. In LRAD they do the planning which gets outsourced. Any redistribution grant has a 9% redistribution value that accrues to LRAD planners i.e. a planning grant. Most of these planners are estate agents, planners, or people who just registered a Pty in order to access the opportunity. They will basically create the project, look for applicants, go to the bank, and initiate the process. The bank checks the information and if all is in-order for the project to go through, it issues the go-ahead. This opens up opportunities for unscrupulous service providers to abuse the system (Interview with Emile de Kock, Coordinator, Mpumalanga Mentorship and*
This respondent fell short of implicating possible corruption avenues that LRAD may have opened up when he notes:

*Estate agents, landowners and community leaders gain through the LRAD process, money changes hands across a spectrum of people and planning agents receive the planning grants etc. It is not a genuine thing. The private-sector people play an integral role in the way the project evolves and if they are not genuinely concerned about community concerns this may jeopardize the success of any LRAD project. There is a kind of entrepreneurial network that evolves and gains from LRAD opportunities and this may play against community interests and concerns* (Interview with Emile de Kock, Coordinator, Mpumalanga Mentorship and Management Pilot Programme at the Transvaal Rural Action Committee, 19/04/2004).

One of the key problems associated with the LRAD grant structure is its rigid and inflexible nature in dealing with the specificities of South Africa’s nine provinces with regard to the land markets. For instance, in provinces where land is expensive such as Mpumalanga (e.g. the Lowveld region), people are forced to form groups so that they can increase the grant funds they are eligible for and consequently decrease the loan component they can qualify for from the Land Bank. This in turn introduces community dynamics that could derail the success of the project. In provinces where land is cheap, the current LRAD grant structure works in favour of grant recipients since they do not have to make up large artificial groups (Interview held with Raymond Mogopodi, 24/06/2004).

The high price of land in Mpumalanga Province has forced community members to group together in order to increase the grant money to buy the farm. However, the pooling of applicants in order to increase their grant money is often discouraged by the Land Bank and the DLA on the basis of project viability and sustainability. Grant recipients felt that technical advice on this front was not in favour of the collective
aspirations of the applicants who preferred to apply in large numbers so that they could qualify for a higher grant. Hence in the long run one realizes that:

*The model of LRAD is based on essentially how one can compute or bring together applicants to achieve the sales price asked of a particular farm e.g. if a farmer wants R 40 million for his farm, then that is the basis on which the number of applicants will be decided. Hence if each applicant can qualify for the maximum LRAD grant of R 100 000 and a bank finance of R 400 000, then this brings the contribution per applicant to R 500 000. Then divide R 40 million by R 500 000, and you get 80 people. So 80 applicants will be the target number to reach. So this model to me is still the same compared to the old SLAG grant and it appears to me that this is a bit mechanical in its approach (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004).*

Therefore in provinces where land is expensive, the LRAD grant structure tends to be inappropriate and too standardized to reflect the varying nature of the land markets within South Africa. LRAD grants policy does not include a production inputs component which grant recipients can access to develop their farms (Interview held with Raymond Mogopodi, 24/06/2004). Linked to the inflexibility of the LRAD grant structure and the subsequent need to form large groups, are the arbitrary limits imposed by Land Affairs and Land Bank with respect to the number of grant recipients allowed to apply for a particular project. The Land Bank and DLA officials are of the opinion that large group-based projects are unviable and tend to have a high risk failure compared to smaller projects that have fewer people (Interviews held with Raymond Mogopodi, 24/06/2004 and Mampho Malgas, Deputy Director, Lowveld Region, Department of Land Affairs).

Given the aforesaid, a key anxiety that grips most management of the newly acquired farms is the issue of debt repayment given the high risks involved in running a large enterprise. Land Bank loan repayment conditions are stringent and inflexible in the sense that agricultural enterprises are treated like a traditional client who must adhere to standard banking regulations. Farmers have a narrow margin for hedging risks and yet profit margins in the agricultural sector are already extremely narrow. If the grant
recipients default on the repayment of their loan, there is very little scope for leveraging additional loan capital (Interview held with Emile De Kock, The Rural Action Committee, 21/06/2004).

It was also noted that the extension services offered by the Department of Agriculture were rudimentary and fell short of some of the specialized farm advise huge enterprises need in order to make them a success. Technical support was also interrupted during the various stages of the project cycle as a result of the high turnover experienced at the provincial offices of the Department of Land Affairs which as noted by one of the Department of Land Affairs officials was often beyond their control (Interview with Zanele Mpangane, Planner, Department of Land Affairs, 22/06/2004). This was equally decried by one of the senior staff:

> Shortage of staff is a key challenge. In the provincial office we have about 61 posts and only about 50 are filled and this impacts on the human resource capacity they have to deal with. Our national department staffing profile is bloated at the top and this is abnormal. The national office staff is far higher in number than the total provincial staff one gets across the country. There is need to decentralize the staff to the provincial level and plans are already underway to do so through a national programme about sharing responsibility called Muthibati. They are trying to reduce the responsibilities of national offices. It has already been done in 5 provinces, Mpumalanga will be the next (Interview with Mampho Malgas, Deputy Director, Lowveld Region, Provincial Department of Land Affairs, 18/04/2004).

However, it was acknowledged from the provincial offices of Land Affairs that TRAC-MP is doing a valuable job through their management and mentorship programme in creating capacity-building courses for six farms within Mpumalanga (Interview held with Deputy Director, PDLA, Lowveld region, Mampho Malgas, 31/06/2004). The management and mentorship pilot programme managed by TRAC-MP is an integrated package approach aimed at increasing the capacity of project beneficiaries to successfully manage their projects. The three tiers of the package are: management support and mentorship, organization and development and governance and skills development and capacity building. The overall aim of this project is to
develop an understanding of the critical factors affecting the sustainability of land reform projects in their post-transfer phases and to find effective approaches to address these challenges.

Share equity schemes were cited as potentially good projects if their inherent problems are dealt with. Equity arrangements tend to be characterized by unequal power relationships and the new shareholders often lack the bargaining power required to influence major decisions on the farm or even understand the management aspects of the farm. For instance more often than not:

*When one buys shares from a company, people do not receive dividends quickly; it is bound to be a problem. Also the department has made it mandatory that 51% of the shares should accrue to the workers. This safeguards their interests because they are the majority and they can influence decisions. They cannot be manipulated easily. Even if you have majority shares, if they don’t understand the business they are bound to face problems in management. Another improvement the DLA has made to share equity is that the new owners have security of tenure of the land. So if the company is liquidated for example, community members will still hold the security of land tenure. The land will remain with the people since they have a 100% shareholding of the company (Interview held with Deputy Director, PDLA, Lowveld region, Mampho Malgas, 31/06/2004).*

Similarly, these sets of issues were captured by one of respondents interviewed:

*Equity schemes are a good idea but without mentoring and a defined hand-over responsibility, their chances of failure are quite high. Most shareholders get into unequal power relationships, they are unaware of management tasks are though no fault of their own, and one needs to be cautious that shareholders interests and concerns are taken into account. With good planning this problem can be dealt with. They stand a good chance of success because in most cases farm workers and farm owners have established relationships over time. Farming has to be seen not as a lifestyle but as a business. One needs to plan carefully in order to succeed (Interview with*
On the other-hand, LRAD is a demand-led approach programme in the sense that community members initiate the process and the government provides funds for the applicants to buy the land. Indirectly, this approach defines a minimalist role for the state to play in this process. The state’s central involvement in this process was found lacking and this often led to delays in land-acquisition processes which are driven through the applicant’s initiatives. In one of the discussions, it was noted that the state needs to come up with a robust land-acquisition strategy that would expedite the acquisition process and also make available the substantial resources required to pursue commercial farming among the beneficiaries. The current demand-led approach was a limited one and was often seen as an attempt by the state to abrogate its cardinal responsibility of creating opportunities of access to productive resources such as land and the productive capital required by poor people. This point was aptly noted in the stakeholder’s discussion that was held during the course of the research (Stakeholders meeting held on 29/06/2004). Indeed one of the respondents had this to say:

*We need to recognize that we have a long road ahead in terms of land reform, with the little resources we have, we have only managed to change less than 3% of the land to the target population, we will need another 30 years to supply 30% of the land. We need to take our time and do the job well. When a community acquires a farm it is not a 6-month get-rich scheme, this is something that will take time to generate intended benefits. We also need to look at the bigger picture, the land-acquisition project should not get say 90% of the total land reform project, it should get more in the region of 30%, skills development, market access, infrastructure development should come as a programme of support by the government. The government should at least be involved 5 years after the transfer to ensure its success (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004).*
An important issue raised in one of the interviews is that the government needs to come up with a set of conditions that specify how property that has been identified for sale should be kept during the negotiation stage because a lot of the sellers do not take good care of their properties once an agreement of sale has been established. As a result of this, beneficiaries buy farms with property or land that has been kept in a derelict manner and this increases the renovation costs. This is evident with the Calcom property, given the density of indigenous trees, tall grass, the poor state of farm roads, the unuseable incomplete wooden chalets and the empty storage tank found in the property. These are some of the signs of poor management. In most cases, at the transfer stage of the project, the quality of the property is often less than the valuation that was made during the project-design stage. Hence there should be a clause in the policy to compel sellers to take good care of their property or else punitive measures may have to be imposed (Interview held with Deputy Director, PDLA, Lowveld region, Mampho Malgas, 31/06/2004).

On a general level, it emerged that the 9 beneficiaries that were interviewed were generally satisfied with the technical assistance they had received up until the land was transferred. For them, life has improved since they become part of this project because they have ownership of the land. The transfer of land has given them a lot of opportunities to farm different crops in future. There is hope that once production capital is available, their aspirations will be fulfilled. However, tenure of security on its own is inadequate. Interviewees aptly pointed out that they suffer from an acute shortage of capital to implement the goals of the business plan. Ownership of land on its own is inadequate without the availability of production capital. Equipment such as tractor, water pipes, seeds, fertilizers, water pumps and expert personnel to advise on the farm, were some of the gaps alluded to by the interviewees. The problem of theft on the farm was a cause of concern. The theft of water pumps and electric cables is a daunting problem. For those who want to contribute their own labour and sweat equity, this has been made difficult by the fact that they lack the finances needed for transport and food to travel to the farm to work. Only 9 people are currently working on the farm. Their meagre wages are paid from the rental proceeds received from the farm’s pub and restaurant (Stakeholders workshop held on 29/06/2004).
Another key limitation that has beset the land reform programme is the dissonance between policy objectives (LRAD) and the strategies put in place to actualize the objectives. For instance, transfer of agricultural land without due consideration to restructuring the broader agri-economy—credit facilities, re-training of agricultural extension officials etc—will not in itself create an environment conducive to agrarian reform. The problem of the “rent a crowd strategy” where communities form huge anonymous groups so as to increase their SLAG grants to buy a farm was a problematic strategy because it often created group dynamics (e.g. leadership contests) as a result of the heterogeneity of the group. With LRAD, a similar scenario is unfolding. The problem of institutional continuities that bedevilled the success of some of the LRAD projects was aptly captured in one of the farms where TRAC-MP is currently involved in its mentorship and management programme:

LRAD is being implemented with no due regard to institutional reform such as marketing reform which is important if emerging farmers are to succeed. For instance, Coromandel is one of the farms where we run our mentorship and management programmes. The farm is about 5,800 hectares, well-endowed with infrastructure and has a dairy herd of about 300 quality dairy. When there was a white manager, milk supply to Mpumalanga Milk Producers Association was undertaken without any hiccups but now that we have Mr Brian Phokane, a very capable man and a manager of the farm, all of a sudden after every two months, the Association refuses to accept delivery of Coromandel milk unless it is tested for contamination and all this is prejudice. People have personal agendas to make these projects fail. I have received calls from local journalists telling me that the cows on that farm are mistreated and when I request the source of the information they say they are not going to reveal their sources and I tell them to get away if they are not going to reveal their sources. I have been to the farm and the cattle are in absolute pristine condition. Most of the people who harbour agendas against the farm are essentially the former farm managers who were against the farm being sold to the workers, and all this is jealousy revealing itself (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004).
These sentiments were equally echoed by one of the interviewees alluding to the fact that racial prejudice within the marketing system is still rife:

You buy a farm, it is owned by a black person and in many cases the marketing output of the very same products is suddenly severed by the buyers. They do not have confidence in black people owning these farms. The market is going to be a bit destabilized in the sense that the buyers are dealing with a new person they have not dealt with before and they are not sure if these people are reliable. Will the products be the same? The government has no control over these issues (Interview held with Deputy Director, PDLA, Lowveld region, Mampho Malgas, 31/06/2004).

In such a context, the challenges facing LRAD are huge but not insurmountable. Probably the verbatim quote alluded to earlier in the paper that the “The budget of LRAD is too small but the greed was too big” is in itself reflected in the views expressed by some of the key implementers of this project. The ambitions of LRAD were too huge given the unresolved macro-problems that still face the land reform programme in general. In addition, the excessive fascination with the category of “commercial farmer” as an end in itself is a self-defeating category. This approach underestimates the complexity and value adding livelihood strategies the rural poor engage in beyond the rigid categorization of “commercial”, “emerging” or “subsistence” farmers. This kind of approach also demonstrates an urban bias that has come to reflect the policy orientation of the South African government. As poignantly put by one of the respondents:

The focus of our national leadership is skewed towards a very liberal economic agenda and is urban focused. The leadership does not see land reform in a productive sense. They have not grasped the clear link that exists between land reform and economic development. There are vested groups such as Agri-SA which represent white commercial farmers that are much more influential in government than your rural landless persons. Hence the interests and concerns of the former’s groups will always hold credence (Interview with Chris Williams, Director, the Transvaal Rural Action Committee, Mpumalanga, 19/04/2004).
What is most interesting about the weak institutional structures and lack of integration that has bedevilled these programmes is that similar issues were raised in 1997-1999 when the author conducted his doctoral research in the province. For instance it was noted then that one of the glaring challenges of the nascent programme was a lack of capacity within the Department of Land Affairs to execute the programme successfully. Different line departments were not coordinated with respect to the post-transfer responsibilities of the land reform programme. From the interviews conducted in 1997, a "them and us" role designation and attitude seemed to prevail (Interview with Mabunda, 18 June 1997). This persistent problem was also identified during the pilot programme in 1994. The provincial DLA offices offered limited assistance in the development of an institutional support structure that would strengthen the roles of provincial and local government structures in pushing forth land development objectives in the post-transfer stage of most projects. This is irrespective of the fact that the multi-faceted nature of post-transfer redistribution projects requires that a wide variety of role players be networked and participate in the post-transfer planning and implementation stage. However this capacity to coordinate between different institutional structures seemed not to be forthcoming. The resultant effect is therefore that provincial offices such as the one in Nelspruit at best are effectively only able to actualize a land transfer back to the beneficiary communities (Interview with Mabunda, 18 June 1997). Similar to what was noted earlier in the paper, the provincial Department of Land Affairs understood its cardinal role as being that of land transfer, while that of post-transfer development has been relegated to the provincial Department of Agriculture and other line departments. This was captured in one of the respondent’s remarks:

*The PDLA role in the entire land reform process is to transfer land from the owner to the target community. It releases funds needed for the purchase of identified land by the community. After the transfer is complete, the provincial administration system moves in and assists in the development of the land. The development and planning of land use is the sole responsibility of the provincial administrative systems and the PDLA had no role whatsoever in this process. In essence, the provincial DLA staff understood their cardinal*
task as the effecting of land transfer back to the client communities (Interview with Mushwata, 2 March 1997).

This was evident in the post-transfer stage of the Emjidini redistribution project. Institutional support has been identified as one of the problems facing these projects in the post-transfer stage. For instance local-government involvement in post-transfer projects to date has been minimal in Mpumalanga. What is surprising is that these sets of problems are precisely the same challenges that are facing the new redistribution LRAD programme as is seen in the Calcom project. The Emjidini project fell under the old redistribution project, namely SLAG i.e. Settlement Land Acquisition Grant which offered communities a grant of R 16 000 to buy land for residential or farming purposes. The latter function of SLAG (Farming) was removed from the SLAG component and restructured into the new LRAD programme which offers communities greater leeway in choosing the size of grants they want based on their own contribution in order to buy land for agricultural development. So from a retrospective analysis of the land reform experience, LRAD has not done away with the institutional and resource constraints that were faced by SLAG, its predecessor programme.

From a cross-country comparative review, LRAD has also dismally failed to learn from other African experiences which attempted similar developments albeit under a different political economic environment. For instance, Kenya’s controversial attempt to build a stratum of black commercial farmers provides insightful lessons for South Africa. The conceptions underlying the new strategies recall the Kenyan land reform, on which the World Bank modelled its proposals for South Africa. This distinguished between ‘commercial’, ‘yeomen’ and ‘peasant’ farmers, all above ‘subsistence’ level. The proposal is unrealistic in assuming that there is a definite relation between scale, commercialization and full-time farming. For example, producers with access to small areas of irrigated land and markets for their produce may well grow vegetables intensively and buy their staple food. The most successful commercial farmers often drew on past or present earnings from salaries or business activities. One reason for the failure of policies to promote ‘yeomen’ farmers in Kenya was that they operated on a scale too large to manage family-labour-based smallholdings and too small to
enjoy the economies of scale of large owner-managed capitalist farms (Williams and Hall 2000: 14).

In Kenya a class-based land reform model that centred on the progressive farmer has been a critical political consideration that has driven the process through since the early 1950s. For example, the implementation of the Swynnerton plan in the 1950s, the low-density scheme and the high-density scheme (or the Million-acre scheme) in the 1960s was a political ploy to pacify rural unrest by creating a landed gentry. This was a political strategy to reconcile the competing and conflicting needs of the constituents involved during Kenya’s transition to independence.

The essence of the Swynnerton formula was the privatization of land through the displacement of indigenous property systems, relations, and modes of production and their replacement with a new legal order modelled after the 1925 English Land Law. Although the programme is by no means complete, and at the present rate may not be concluded until the year 2050, it is estimated that over 70% of all land outside the arid parts of the Coast, Eastern, North-eastern, and Rift Valley Provinces has now been privatized (Okoth-Ogendo 1998). The Swynnerton plan contained a strategy for the development of production in small farm areas in the highlands, which is still the basis of Kenyan today. It provided for what came to be known in Kenya as ‘land tenure reforms’, involving the consolidation of fragments of land where fragmentation was severe and the subsequent registration of individual freehold title to land. There were three distinct stages in the process of tenure reform. The first stage involved ascertaining individual or group rights under customary tenure approximating to ownership, that is, the process of adjudication. Such rights are to be determined according to native law and custom and with the assistance for adjudication committees constituted from the inhabitants of the adjudication section. The second stage involved the aggregation of all pieces of land over which each individual or group has rights and the allocation to the individual or group or group of a single consolidated piece approximately equivalent to the several units. This was called the consolidation process. The last stage involved the entry of rights shown in the record of existing rights or adjudication register into a state-maintained land register and the issuance of a certificate for ownership, that is, the process of registration (Mugabe and Ogolla 1996: 99). The registration of the Trust Land that
was vested in the respective county council started in 1956 in Central Province. To date most of the agricultural regions with high potential, such as Central and Western Provinces and Kericho, Uasin Gishu, Embu, Meru and Kisii Districts, have been completely adjudicated and registered (ibid.).

The other major component was the development of crop and livestock production for the market through the provision of farm plans, extension services, inputs, processing and marketing facilities and a small amount of farm credit (Heyer 1981, Wanjala 1996). It aimed to make high-value cash crops available only to a minority of master farmers. The crops were grown by far more farmers than projected. State agencies and trans-national companies directed this expansion of intensive smallholder production of tea, coffee, pyrethrum, sugar and dairy products through the control of marketing and by restricting the growth of private trade in agricultural produce. This was accompanied not by polarization, but by an apparent entrenchment of the middle peasantry in the former Kikuyu reserves and expansion into former European farming areas (Heyer et al. 1976, Heyer 1981).

Among the products that received support in the new programme of encouraging marketed output, by far the most important was coffee. The government supported African coffee-growing as part of the very closely controlled programme based on the progressive farmer elite in the 1950s. Only a very small number of farmers in coffee growing areas were allowed to grow coffee initially and the rate of expansion allowed for each coffee-grower was limited. High standards of husbandry were reinforced, adding to the cost of production, and total production was kept to a level that agricultural officials felt they could adequately control and supervise. The result was a tightly controlled programme of expansion of high output reserved for a limited group of people (Sorrenson 1967).

The programme for the small farms in the highlands areas on which the Swynnerton Plan concentrated was consciously based on the controlled development of a group of elite progressive farmers who would form a solid conservative bulwark against the Mau Mau and other political opposition. The new land tenure was introduced in the following terms:
Former government policy will be reversed, and able energetic or rich Africans will be able to acquire more land and bad or poor farmers less, creating a landed and a landless class. Herein lies the political rationale of this programme (Cheche 1982: 10).

The overall impact of the programme was to create a minority grouping of landed gentry at the expense of the majority poor people. Land became increasingly concentrated in the hands of a happy few. These newly emerging elites of African farmers were constituted particularly of businessmen, politicians and civil servants (Kleinpenning 1978: 95 as cited in Rutten 1997: 77).

The programme for the small farms in the highland areas on which the Swynnerton plan concentrated was consciously based on the controlled development of a group of elite progressive farmers who would form a solid conservative bulwark against the Mau Mau and other political opposition. The plan was for energetic or rich farmers to provide employment and increased incomes for the poor who could not generate adequate incomes farming their land. The logic behind these schemes exemplifies a long-held tradition in studies of rural development where it is viewed as a safe and sound investment to concentrate on building a class of progressive farmers to the exclusion of the poor and less-able farmers. What lessons do the Kenyan model have for South Africa?

Comparative lessons from Africa (Kenya in particular) on the dangers of focusing on the myth of the progressive farmer seem not to have influenced the current orientation towards emergent progressive farmers in South Africa. The failures of land reform thus far in South Africa give reason for adopting a different approach to those tried by the old regime or put forward by colonial planners in Kenya. These examples suggest that it may prove difficult and expensive to foster and sustain a successful class of semi-commercial and commercial black farmers, let alone enable the former to turn themselves into the latter. As aptly noted by Hall et al. (2000), the new policy blueprints may fail to realize their goals, as previous plans did in colonial and post-colonial Kenya and in the old and the new South Africa. Even if they were to succeed, in their own terms, the policies may not quell the demand for land and the social conflict associated with it.
Key Conclusive Themes that Emerge from the Study

Land Redistribution for Agricultural Development (LRAD) has the potential to significantly improve the livelihoods of the rural poor and to contribute towards economic development. However, one of the greatest challenges facing the success of LRAD is the absence of post-transfer support services as envisaged within the policy itself. This a problem that has persisted since the inception of South Africa’s land reform implementation programme in 1994, as experienced through the old redistribution policy—the Settlement Land Acquisition Programme (SLAG). The lack of sufficient post-transfer support for beneficiaries of land redistribution in South Africa could derail the country’s land reform programme.

The responses received from the key informants interviewed in this research are illustrative of the critical issues that are yet to be dealt with if land reform programmes are to succeed in South Africa. Cardinal issues with respect to the policy design (e.g. the release of a planning grant, the inflexibility of the grant structure), implementation (timeframes, stakeholders involvement and agency agreement) and post-transfer support (a lack of production capital, stakeholders participation) are potential areas that could seriously undermine the success of LRAD. A serious shortcoming in this project is the unavailability of adequate production capital that could be used to increase the project’s current farming operations. Hence this made post-transfer support of the project a major failure.

LRAD is intended to make a major contribution to achieving the government’s target of transferring 30% of agriculture land to blacks within fifteen years. This implies that a total area of approximately 25 million hectares needs to be transferred. The redistribution programme is falling short of its target. Meeting this target requires redistributing about 1.64 million hectares per year. The pace of land delivery has increased in recent years and the government has redistributed almost 1.5 million hectares of land to 130 000 beneficiaries since 1995. This figure is less than 2% of all commercial agricultural land in South Africa (Jacobs, Lahiff and Hall 2003). Given the aforesaid problems discussed in this paper, it is highly unlikely that this target will be met in the coming years.
It is important to note that LRAD was designed in 2000 in order to avoid the problems that had bedevilled the successful implementation of its predecessor programme SLAG. However, it seems the problems that were identified during the review of SLAG programmes are being similarly experienced in LRAD projects. The problem of the rent a crowd strategy where communities formed huge anonymous groups so as to increase their SLAG grants to buy a farm was a problematic strategy because it often created group dynamics (e.g. leadership contests) as a result of the heterogeneity of the group. In an interview conducted in 1997, it was noted that due to the high price of land in Mpumalanga Province, the Provincial Department of Land Affairs (PDLA). This in turn forced the department to increase the size of the community beneficiaries/applicants in order to command more resources for the project in question. The direct result of amalgamating target beneficiaries into a community of people is that it raises serious questions of group dynamics. This in turn threatens the survival and sustainability of the project in question. A process of negotiation then has to come to play, which at times has proved difficult and time-consuming (Interview with Chris Williams, then Director of Post Settlement Support, PDLA, Mpumalanga, 18 June 1997).

These conflicts are also symptomatic of the way the policy in a covert manner conceptualizes the concept of a community. Implicit in these policies is the notion that a community is a homogenous entity unified by a common identity and common characteristics or needs. In practice this has not been the case. Kepe (1998), for instance, defines a community in sociological terms with a focus on spatial units, i.e., people who share a common locality, and points out that there are often conflicting notions of who belongs to which group. He also defines a community as an economic unit where different groups share common interests, control particular resources or share similar economic activities to make a living. He further argues that the concept of community within South Africa’s land reform has both positive and negative connotations. It is positive when it helps to focus policies on the needs of the specified community but negative when it forces conflicting groups together and mutes the voice of the weaker group. It is this latter feature of the concept of community that poses the greatest threat to the implementation of the land reform programme.
In rural South Africa, the genesis of this problem lies in the historical legacy of the apartheid system. Most rural communities in South Africa were essentially invented through social engineering. This was effected through coercing people together who were from different locations and who held different beliefs and customs, through the Group Areas Act and other related apartheid policies. Hence, the notion of a community seems problematic in this case. Organizing groups of people into communities creates intricate political and social undercurrents that ultimately slow down the process of the redistribution project.

The absence of a specialized institution that would take of post-transfer support was proposed by a few of the research respondents interviewed in this study. Currently there is no institution that is specifically mandated to provide a holistic post-transfer support and advisory services to LRAD beneficiaries. Within the DLA officials, this mandate is partly relegated to the Provincial Department of Agriculture to provide post-transfer support services. However the Department of Agriculture lacks the resources and expertise required to execute this responsibility successfully. The DLA’s key mandate is to facilitate the transfer of land. This role has been narrowly defined to exclude the development of the land and plans are underway to establish a post-transfer support unit within the DLA offices to try and monitor and assist in the post-transfer phase of these projects.

A key issue that emerged in one of the interviews is that there should be a special body established linked to the DLA to train beneficiaries on management aspects of farms, such as financial management, which most grant applicants do not understand. The need to help grant applicants to run their new projects should be integral to the success of any LRAD project. However it emerged that this aspect is often not taken into account, either because departments wait for each other to provide the services as stipulated under the policy prescription or simply because they lack the resources to execute the function. With regard to Calcom project, this was not the case, as the institutional synergies between the DLA and the DALA were evident in how the project was run and also acknowledgement was made of their pivotal role in the project by the beneficiaries themselves.
At a broader institutional level, it was noted that there is a lack of integrated planning, and hence it is difficult to synchronize project aims with other policies such as the Integrated Development Plan (IDP). IDP is not yet in place in Mpumalanga Province since the local government is still trying to identify the priority needs in their jurisdiction. However post-transfer support is essentially about providing finance and the technical support needed for beneficiaries to implement the goals of the business plan they have drawn up. Technical support without the necessary finances is inadequate since beneficiaries will not be in a position to purchase the vital farm inputs required for the project.

In conclusion, one could note that the Calcom project exemplifies the classical challenges that have beleaguered the success of land reform projects since its inception in 1994. The technical aspects of implementation, i.e. the project life-cycle from identification and its design, approval and transfer are undertaken without any serious impediments. Therefore one could note that the institutional aspect of implementing the project is being managed smoothly and jointly with the Department of Agriculture. The greatest challenge that faces the success of the project is the lack of production capital to execute the goals of the business plan and the allegations of corruption around the lease agreement, and the running of the registered legal entity namely, Calcom 180 Pty Ltd. The potential to succeed in this project is higher than other traditional LRAD projects because it does not carry a loan component from the Land Bank and hence presents a low risk in terms of its viability.

There is a huge gap between popular expectations of land reform delivery and the actual possibilities for transferring land ownership to the majority under the current constitutional arrangement. Any sociological analysis of the land question in South Africa must appreciate the contradictory objectives of safeguarding existing property holders in their landownership on the one hand and redistributing land to the previously dispossessed on the other. The unequal division of land, premised on conquest, is a constant reminder to the majority that they remain excluded from the ownership of their country. Seen in this way, the claims about land have been directly linked to the meaning of citizenship since 1994 (Hendriks 2004). Given the transitional context alluded to earlier in the paper, should one expect a radical and far-reaching land reform in South Africa’s rural areas? Are mild reforms not a normative
feature of negotiated democracies? Lodge aptly puts it: “….radical land reform in liberal democracy is unusual. Liberal constitutions, even those that try to promote equality, tend to protect, conserve and restrain, rather than accelerate social reform” (2003: 3).
Map of South Africa
Map of Mpumalanga Province
Field work Project Pictures

**Plate 1:** Picture of Calcom farm

**Plate 2:** Picture of the farm, with mango trees in the background
Plate 3: Emjidini location: Residential settlement where Calcom members reside

Plate 4: Calcom stakeholder’s workshop in session
**Project Background Information**

**Dates of visit to project site**

15-20 April, 2004 and 28-29 June 2004

**Name and address of the project-site**

Calcom 180 Pty Ltd. The local name of the project is Eyethu Project

**Names of person interviewed and position**

<table>
<thead>
<tr>
<th>Name</th>
<th>Position and Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trueman Moloi</td>
<td>Project Officer, Department of Land Affairs</td>
</tr>
<tr>
<td>Mampho Malgas</td>
<td>Deputy Director, Lowveld Region, Department of Land Affairs</td>
</tr>
<tr>
<td>Sthembiso Mbuyane</td>
<td>Project Manager, Department of Agriculture and Land Administration</td>
</tr>
<tr>
<td>Sipho Mbhalane Siwela</td>
<td>Chairperson of Calcom 180 Pty Ltd</td>
</tr>
<tr>
<td>Mandla Ngwenya</td>
<td>Chairperson of Eyethu Farmers’ Association</td>
</tr>
<tr>
<td>Olga Khoza</td>
<td>Director of Calcom 180 Pty Ltd</td>
</tr>
<tr>
<td>Johannes Ndlazi</td>
<td>Director of Calcom 180 Pty Ltd</td>
</tr>
<tr>
<td>Mpho Maepa</td>
<td>Service Provider – Land Reform Facilitation services</td>
</tr>
<tr>
<td>Raymond Mogopodi</td>
<td>Project Manager, Land Bank, Nelspruit Office</td>
</tr>
<tr>
<td>Zanele Mpagane</td>
<td>Planner, Department of Land Affairs</td>
</tr>
<tr>
<td>Sam Nkosi</td>
<td>Planner, Department of Land Affairs</td>
</tr>
<tr>
<td>Emile de Kock</td>
<td>Coordinator of Mpumalanga Management and Mentorship</td>
</tr>
<tr>
<td></td>
<td>Pilot Programme at the Rural Action Committee, Mpumalanga (TRAC-MP)</td>
</tr>
</tbody>
</table>
Interviews alluded to Retrospectively in the Study

Interview with Star Mushwata, Deputy Director, Land Tenure Department, Department of Land Affairs, Mpumalanga Provincial Office, 2 March 1997.

Interview with David Mabunda, Former Director of Settlement support at the provincial office of the Department of Land Affairs, 11 June 1997.


Lahiff, E. 2001 “Land Reform in South Africa: Is It Meeting the Challenge?” Policy Brief, Programme for Land and Agrarian Studies, University of the Western Cape, South Africa.


Molefe, R. 2002. “Slow Restitution a Hurdle for Growth” *Sowetan*, September 26, p. 18


- *Special Thanks to Ann Reeves for editing this work.*