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POSTGRADUATE SCHOOL OF AGRICULTURE AND RURAL DEVELOPMENT

Land Reform and Development: Evaluating South Africa's Restitution and Redistribution Programmes

Ward Anseeuw & Ntombifuthi Mathebula

Research paper
No. 2008/1
February 2008



UNIVERSITEIT VAN PRETORIA
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Table of contents

Lists	v
Foreword.....	vii
Executive summary.....	ix
I. Introduction	1
1. Land reform in South Africa: addressing the inequalities of the past.....	1
1.1. South African economic policy and the different instruments of land reform	2
1.2. Land reform in two phases.....	4
2. A decade of land reform: preliminary observations	5
2.1. The slow pace of South Africa's land reform process	5
2.2. Does South Africa's land reform have the capacity to address the problems created by the past? Past reflections, new questions.....	7
II. Assessing land reform in the context of development: research methodology	11
1. Development: the concept applied to land reform in South Africa	11
2. Assessing land reform in conjunction with development	12
2.1. Land reform projects and beneficiaries as observation units.....	12
2.2. Municipality as geographical research unit	13
2.3. Assessing restitution, SLAG and LRAD projects.....	13
3. The choice of Mole-mole municipality.....	13
3.1. Importance of land reform in the Limpopo Province	14
3.2. Mole-mole municipality: a node for land reform within the Limpopo Province	16
4. Data collection and fieldwork	21
4.1. Review of available data and literature.....	21
4.2. Collection of general information through interviews and zoning	21
4.3. Questionnaire on land reform and development.....	21
4.3.1. Sample size	21
4.3.2. Land reform beneficiaries interviewed	23
4.3.3. Open-ended questionnaire	23
4.4. Additional information.....	24
4.5. Fieldwork	24
III. Land reform in Mole-mole in the context of development	25
1. Land reform, success or failure? A first description.....	25
1.1. Description of Mole-mole's land reform projects	25
1.1.1. Restitution projects	27
1.1.2. SLAG projects	30
1.1.3. LRAD projects	32
1.3. Negative trajectories of the land reform projects.....	34
1.2. Disappointing impact of Mole-mole's land reform for beneficiaries	37
1.3. Mole-mole's only three 'success stories'	40
1.3.1. The restitution success story	40
1.3.2. The SLAG success story	43
1.3.3. The LRAD success story	46
2. Reasons for failures to link land reform to development.....	50
2.1. Factors that make land reform projects unfeasible	50
2.1.1. Economic difficulties to develop viable agricultural activities.....	50

2.1.2. Inherent economic unfeasibility.....	52
2.1.3. Acquisition of unsuitable land	52
2.2. Inappropriate institutional structures at project level.....	54
2.2.1. Mismanagement and misuse of power structures	54
2.2.2. Inappropriate institutional and legal structures.....	55
2.2.3. Lack of conflict-resolution systems and mediation	56
2.3. Lack of collective action and institutional isolation	56
2.4. Administrative problems.....	57
IV. Linking land reform to development: conclusions and recommendations	59
1. The need for a structural renewed dual land reform	59
2. Adapting institutional structures to avoid biased power relations and improve access to services	60
3. Enhancing collective action	61
4. Adapting institutional structures, including control and monitoring systems	61
5. Conclusion	62
References.....	65

Lists

List of tables

Table 1: Restitution claims settled between 1994 and November 2004.....	6
Table 2: Redistribution projects settled between 1994 and November 2004	7
Table 3: Land reform in South Africa by province.....	15
Table 4: Limpopo land reform projects per municipality	17
Table 5: Mole-mole's land reform projects	22
Table 6: Land reform in Mole-mole by type of land reform project	26
Table 7: Synthesis of the characteristics of Mole-mole's land reform projects (restitution, SLAG and LRAD).....	29
Table 8: Gross project income per type of land reform project.....	34
Table 9: Mole-mole land reform projects by income group	35
Table 10: Gross farm income per ha by income group.....	36
Table 11: Gross farm income per household by income group	37
Table 12: Beneficiaries of land reform in Mole-mole	38
Table 13: Beneficiaries of land reform in Mole-mole by type of project.....	38
Table 14: Beneficiaries of land reform in Mole-mole by income group	39
Table 15: Details of the farm's production and income for 2004.....	44
Table 16: Farm's production costs for 2004	44
Table 17: Estimation of the farm's gross income	48
Table 18: Estimated production costs	48
Table 19: Access to capital for Mole-mole's land reform projects by type.....	51
Table 20: Redistributed/restituted land per household	52
Table 21: Distance between project and beneficiaries' original community.....	52
Table 22: Characteristics of acquired land.....	53
Table 23: Willingness of beneficiaries to live on the farms	53
Table 24: Illegal practices and misuse of assets on Mole-mole's land reform farms by type.....	54
Table 25: Mole-mole's land reform projects, by type, which are limited by constitution or legal structure.....	55
Table 26: Mole-mole's land reform projects, by income group, which are limited by constitution or legal structure.....	56
Table 27: Mole-mole's land reform farms' access to institutions	56
Table 28: Mole-mole's land reform farms' access to institutions by type	57
Table 29: Mole-mole's land reform farms' access to institutions by group	57
Table 30: Average period between claim and acquisition for Mole-mole's land reform projects by type	58

List of Figures

Figure 1: South Africa's former homelands' territories in 1994	14
Figure 2: Processed land reform farms in Mole-mole	18
Figure 3: Processed and unprocessed land reform claims in Mole-mole	19
Figure 4: Farms in Mole-mole affected by restitution claims.....	28
Figure 5: Mole-mole farms involved in SLAG projects	31
Figure 6: Mole-mole farms involved in LRAD projects	33
Figure 7: Trend of average gross farm income by income group.....	37
Figure 8: Origin of beneficiaries presently engaged in land reform projects	40
Figure 9: Evaluation of the net farm income in Mole-mole	51

List of abbreviations and acronyms

ANC	African National Congress
CASP	Comprehensive Agricultural Support Programme
CC	Close Corporation
DBSA	Development Bank Southern Africa
GEAR	Growth, Employment And Redistribution
Ha	Hectare
HH	Household
IDP	Integrated Development Plans
ISRDS	Integrated Sustainable Rural Development Strategy
LDO	Land Development Objectives
LRAD	Land Reform for Agricultural Development
LSU	Large Stock Unit
IRR	Internal Rate of Return
NAFU	National African Farmers Union
NLC	National Land Committee
RDP	Reconstruction and Development Programme
RLCC	Regional Land Claims Commission
SLAG	Settlement/Land Acquisition Grant
SSA	Statistics South Africa
SSU	Small Stock Unit
UNDP	United Nations Development Programme

Foreword

This research paper presents the results of a research project conducted in 2005 with the financial support of the W K Kellogg Foundation (WKKF).

The authors wish to thank Professor C. Machethe, project leader at the Postgraduate School of Agriculture and Rural Development at the University of Pretoria, for his guidance and help during the project. We would also like to thank Professors S. Perret and N. Olivier for their insightful comments on the final draft.

The present report does not necessarily reflect the views and opinions of the W K Kellogg Foundation or the University of Pretoria. The authors bear the final responsibility for the opinions and conclusions presented in this report.

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Executive summary

Although land restitution and redistribution concern redress, social justice and reconciliation, many would consider that these objectives will never be achieved if no development occurs on the acquired lands. Development has many dimensions (especially if considered as a means of addressing the injustices of the past) among which the improvement of low income and low consumption are only a couple. Improving quality of life in general, addressing insecurity, powerlessness and low self-esteem, overcrowded homes and alienation from the community, etc. are as important. Such a broad definition of development finds a striking illustration in the case of South Africa, where no famine is observed and where social and welfare grants often guarantee a minimum livelihood at household level.

After ten years of land restitution and redistribution in South Africa, **the extent to which the land restitution programme has effectively and sustainably improved people's lives** in South Africa must be investigated. The objective of this paper is to have a closer look at current restitution and redistribution projects, to understand their effective implementation in the field, from the initial application phase to the final configuration of the project, in order to identify lacks, threats and problems affecting the projects. Recommendations are then made to link the restitution and redistribution of land to development.

Based on a broad empirical survey, the paper evaluates South Africa's land reform programmes. It details more particularly findings regarding the restitution and redistribution projects of the Mole-mole municipality in the Limpopo Province. Retaining the broad definition of development provided above, the paper focuses on socio-economic factors affecting rural (often more farm-oriented) but also urban projects (more housing oriented). Questionnaires at project level and at household level¹ have shown that - at least in Mole-mole case - restitution has not significantly changed the socio-economic aspects of the majority of beneficiaries' lives. Of the 39 land reform projects assessed, four projects seem likely to survive, though only three in a sustainable manner. With only 0.4% of the official beneficiaries benefiting effectively from the projects, even fewer can be projected to be experiencing improvement in quality of life.

Several main reasons explain these failures. Firstly, the feasibility of the land reform projects is questionable due to difficult economic conditions and isolation. Secondly, inappropriate institutional structures at project level lead to legal disparities, inappropriate power structures, important intra-community conflicts, as well as mismanagement and misuse of resources. Thirdly, a lack of collective action and institutional contact leads to institutional isolation. Finally, land reform processes are plagued by administrative complexity, ignorant and unskilled personnel and a lack of transparency, leading to extreme delays, the collapse of projects, powerlessness, and an overall lack of adapted and coordinated services to land reform projects.

¹ Household surveys were needed to depict the beneficiaries trajectories, necessary to assess the evolution of the quality of life

The recommendations of this paper mainly concern pre- and post-institutional issues. The paper suggests developing specific adapted institutional structures at project level to better satisfy the needs of beneficiaries. It also proposes enhancing collective action to avoid institutional isolation, as well as building a strong coherent umbrella structure, which includes control and monitoring systems, to integrate land reform projects into a transparent and coordinated - yet flexible - institutional framework. These recommendations are not all inclusive, but highlight some aspects to be addressed if redistribution, restitution and land reform in general are to succeed in the context of development. Above all, this paper shows that the needs of land reform projects are not uniform, implying that policy needs to create more transparent and participative procedures involving all concerned parties.

I. Introduction

1. Land reform in South Africa: addressing the inequalities of the past

At the first conference on land redistribution in South Africa, held in Johannesburg in 1993, Cyril Ramaphosa, the then secretary general of the ANC, noted that South Africa is not unique in its unequal land distribution but rather in the policy measures that have led to this situation (ANC, 1993). In contrast to most other countries with unequal land distribution, South Africa has a history of specific racial policies with clear implications for land distribution and ownership. This heritage of inequality was formalised with the implementation of the two Natives Land Acts of 1913 and 1936. The first act gave only 8% and the second only 13% of South Africa's territory to non-whites, who at the time represented about 90% of the country's population. This legislation further confined the coloured population to reserves and the black population to bantustans, where land tenure was insecure and farming practices mainly communal. Other measures restricted land tenancy or sharecropping possibilities for black and coloured populations living on land owned by white farmers, which in effect suffocated the (commercial) farming activities of these non-white farmers and prompted an exodus to the reserves and bantustans. The result of these policies was the acquisition of land by whites and the elimination of the black peasantry, who then provided cheap adult male labour for the commercial farming, industry and mining sectors (Van Onselen, 1996).

Such spatial segregation measures caused extreme inequality in land distribution in South Africa. Combined with legal limitation of commercial farming activities by black farmers, this land distribution inequality led to important inequalities between white and black farmers. In 1994, when the first democratic elections were held in South Africa, about 60,000 white farmers occupied 87 million hectares (ha) of privately owned land. These commercial farms contributed about 95% of South-Africa's total agricultural production (World Bank, 1994) and assured that the country was self-sufficient in most agricultural products. These farms employed between 750,000 and one million farm workers (SSA, 2000). In contrast, 14 million blacks, gathered in the former bantustans and reserves, shared only 13% of South Africa's area, i.e. 13 million ha (Department of Agriculture, 1995). The large majority of these people were engaged in one way or another in small-scale farming activities, mainly for subsistence.² Their farming production only represented 16% of their food needs. According to the Southern African Department of the World Bank (World Bank, 1994), though about 13% of the farming households had commercialised part of their production, only 0.2% of the households could effectively make a living through farming. One third of the rural households were estimated to have no access to land.

¹ The Department of Agriculture estimates the number of non-white farming households at 2 000 000. Nevertheless, these estimations have to be taken carefully as the definition of a farming household is not well developed and not precise.

Land reform was one of the principal promises made by the ANC at its ascension to power in 1994. One of the reasons for the launching of the Reconstruction and Development Programme (RDP) was that land reform was necessary to redress the injustices caused by forced deportation and restricted access to land (ANC, 1994). Aiming to solve overpopulation in certain rural areas of the former reserves and bantustans and to promote access to residential and farm land, this land reform was the centrepiece of the government's strategy for Growth, Employment and Redistribution (GEAR strategy). This strategy was built on the assumption that the land reform process in South Africa is not only a decisive element of the country's ideological transition, but also a necessary condition for the political, economic and social stabilisation of the country. Therefore the ANC aimed to redistribute 30% of the country's land during the first five years of its rule. This of course required the implementation of adapted economic policies (Department of Agriculture, 1995).

1.1. South African economic policy and the different instruments of land reform

South Africa's first democratic elections, held in 1994, had profound economic consequences. Indeed, one of the decisions reached during the negotiations that ended the apartheid era was that political liberalisation should be accompanied by economic liberalisation. This has led to the implementation of economic policies advocating the reduction of the role of the State and redistribution through economic growth (Habib and Padayachee, 1999). The liberalisation of South Africa's economy would enhance, according to the World Bank (World Bank, 1994) and the ANC (ANC, 1994), the economic system's efficiency and would ensure more equal access to markets and services.

In the agricultural sector, economic liberalisation implies agrarian and land reform carried out within the framework of a free market³, avoiding any form of expropriation. This market-led approach, opposed to state intervention (Borras, 2003), emphasises land reform to be implemented according to the "willing buyer-willing seller" principle (Department of Agriculture, 1995). This principle, which takes into account the rights of the present owners, is officially transcribed in the new Constitution, under the "*property clause*". Officially, redistribution that increases the previously disadvantaged population's access to land, agriculture and particularly commercial agriculture is presently promoted, but transactions should take place at market price. This market-led reform strategy was chosen, according to the Ministry of Agriculture and Land Affairs, to maintain the nation's productive capacities, and so help ensure its economic stability, without neglecting the demands of equity. In addition, this approach is also low-cost, easy to implement and, most of all, supported by international organisations (in particular the World Bank) and is conducive to investor confidence.

³ This included abolishing direct subsidies benefiting white farmers, suppressing unfair systems of agricultural marketing and transforming most of the institutions concerned with farm development (co-operatives, financial services, etc.).

This said, the ANC and other stakeholders, taking into account South Africa's history of land appropriation, the 1994 levels of protection and subsidy for white farmers and the poverty of the majority of the black populations, agreed that total liberalisation of the agricultural sector would not erase the land and agrarian inequalities inherited from apartheid. Accordingly a provision for State intervention was made to allow the possibilities of manoeuvring within the liberal economic framework. State intervention has been applied case by case and with very little means (only 4% of the national budget is affected to the Ministry of Agriculture and Land Affairs and 0.3% to land reform). The liberalisation process is thus not a total deregulation, but prevails legal mechanisms of redistribution and restoration of land rights and limits State intervention with the aim not to distort the market functioning. Three main programmes, recognised by the Constitution, form the core of South Africa's land reform programme: land restitution, land tenure reform and land redistribution (Department of Land Affairs, 1997).

1) *Land Restitution Programme*

This programme, provided for in the Restitution of Land Rights (Act no. 22 of 1994) enables people or communities dispossessed of their land after the implementation of the first Natives Land Act on 19th June 1913 to apply for the restitution of their lands (or of the equivalent, i.e. other land or financial compensation). By the March 1996 deadline for the deposition of claims, 68,878 individual or group demands had been deposited.

2) *Land Tenure Reform Programme*

This is the most complex of the land reform programmes. It aims to define and institutionalise every existing mode of land tenure. The objective is to make possible the conferral of precisely defined and more equal rights to landowners and land occupants.

This programme mainly concerns the management of the 25,509,004ha of state-owned land, of which 13,332,577ha make up the communal lands of the former reserves and bantustans (the remainder is mainly rented out or informally occupied). It also addresses other problematic issues, such as farm workers who have worked for their own gain for several years on properties owned by others, mainly whites. Another aim of this programme is

3) *Land Redistribution Programme*

This programme complements the two programmes discussed thus far, by helping previously disadvantaged people to purchase land. The programme allocates subsidies so that beneficiaries can buy land at market price.

The land redistribution programme can take various forms including individual purchase, group purchase using pooled subsidies and purchase according to the commonage principle, which involves an entire community using their subsidies to purchase land which is then added to the existing communal land occupied since 1913 or 1936.

1.2. Land reform in two phases

Political and economic transition is often accompanied by land reform (Kay, 1998). Though land reform is generally agreed to be necessary to address inequality and rural poverty (World Bank, 1999), how to implement this reform is still debated. This is also the case in South Africa. Although the global economic framework of land reform has not changed significantly since 1994, South Africa's policies and programmes have varied. Two major phases in land reform policy can be identified.

1) First phase (1994-1999): policies focusing on subsistence farming

The land reform policies of the first phase, implemented by the Minister of Agriculture and Land Affairs, Derek Hanekom, aimed at advancing subsistence farming. This phase stressed the importance of land reform and the development of small-scale agricultural production in the socio-economic development of rural areas. The government wanted to ensure security of food and means of existence in a country where there are extreme inequalities of resource distribution and where links between black populations and commercial-oriented farming have historically been vanished. As it was only focusing on land, farm as well as residential or urban land (for peri-urban agricultural projects), this first phase was implemented only by the Department of Land Affairs.

During this first phase, the Department of Land Affairs allocated Settlement/Land Acquisition Grants (SLAG) of R15000 (later R16000) per household⁴ (Department of Land Affairs, 1997). These grants were mainly allocated within the framework of the Land Redistribution Programme for purchasing land, but they could also be used for agricultural investments (on communal land or land acquired through the Restitution Programme) or even for housing projects (outside the farming sector).

As the grants were focusing on the rural and the poorest part of the population, very little extra investment occurred. SLAG has, consequently, been criticised for *not* providing the means to structurally change South Africa's agricultural sector but in fact for having kept previously disadvantaged populations impoverished (Land Affairs, 2000).

2) Second phase (1999-2004): policies focusing on small-scale commercial farming

In 1999, after the second democratic elections, Thoko Didiza took over the Ministry of Agriculture and Land Affairs. The focus on subsistence farming was abandoned and the development of an emergent commercial black farming sector became the ministry's priority. Land reform measures no longer aimed at transferring land to black households and promoting self-sufficiency, but rather at creating a structured small-scale commercial farming sector, improving farm production, revitalising the

⁴ Each household is entitled to only one SLAG. A household that uses the grant to purchase land, will not access any additional SLAG for the construction, improvement or other farm investments.

rural environment and creating employment. This strategy coincided better with the government's more liberal orientation.

The Land Redistribution for Agricultural Development (LRAD) sub-programme has become the main programme of the Ministry of Agriculture and Land Affairs (2000). The LRAD sub-programme does not replace the programmes implemented in 1994, which still exist, but builds on the work of the SLAGs for projects concerning agricultural development. As from 1999, SLAGs have been limited to residential projects. The LRAD sub-programme gives grants to previously disadvantaged people to help them buy farmland or develop land they have already acquired privately. LRAD projects focus on the transfer of agricultural land to individuals or to limited groups with the objective to develop commercial-oriented farming activities (Ministry of Agriculture and Land Affairs, 2000).

To encourage the development of farming activities, the LRAD sub-programme insists that the beneficiaries contribute own funds (either actual or in-kind) to the project. For contributions of R5000 to R400 000 per person, the LRAD subsidies vary from R20 000 to R100 000 (on a decreasing scale).⁵ The awarding of subsidies is thus not only based on the equity principle, but on the viability of the project. This is intended to facilitate better co-operation between the Department of Land Affairs and the Department of Agriculture.

If this political choice is as justifiable as the previous one, this new orientation implies a predisposition to focus on a category of potential farmers having specific means, such as financial, knowledge. Certain associations (NLC, 2000) assert that the LRAD subsidies benefit only a small elite echelon of farmers (less dependant of support than the most impoverished). Others note that these measures promoting the commercialisation of agriculture are driving forces for agricultural and rural revitalisation (Van Rooyen, 1997).

2. A decade of land reform: preliminary observations

Eleven years after the country's first democratic elections, a preliminary diagnosis of the land distribution situation in South Africa is perhaps warranted. Two main aspects of this situation are often highlighted in South Africa's academic and civil literature, namely that South Africa's land reform is slow and that it is incapable of effectively addressing past inequalities. These two points will be briefly discussed in the following section.

2.1. The slow pace of South Africa's land reform process

The land reform process shows little progress in terms of number of completed projects.

⁵ For more details on the functioning of the LRAD grants, see the document "Land redistribution for agricultural development. A sub-programme of the land redistribution programme" published by the Ministry of Agriculture and Land Affairs in 2000 (Ministry of Agriculture and Land Affairs, 2000).

The Tenure Reform Programme has shown the least progress. Little has changed since the Land Acts of 1913 and 1936 in terms of uncertain land tenure for the black population. The complexity and diversity of existing tenure systems prompted the drafting in 1996 of the Interim Protection of Informal Land Rights Act to protect the residents of the former bantustans and reserves from abuse by corrupt traditional leaders, harsh administrative measures or unscrupulous investors. A new charter of land rights was developed, which proposed to transfer the property rights of communal lands, which were then still state property, to residents. The charter recommended flexible intermediate rights between individual and traditional rights. In this way, rights could be claimed by individuals, groups constituted as legal entities or communities with democratically elected management committees. Eventually, due to potential conflicts, particularly with traditional authorities, legislation of the proposed act was postponed till after the second democratic elections and then discarded.

In August 2002, then Minister Thoko Didiza re-launched the proposal as the Communal Land Rights Bill. It was passed by Parliament in March 2005, just before the third democratic presidential elections. Nevertheless, no effective projects or programmes have been implemented in the short time since then, but the bill and its process of development and implementation have already been strongly criticised by both academics (Cousins, 2002) and civil society.

Measures to secure the rights of farm workers through the Labour Tenants Act and the Extension of Security of Tenure Act have in fact made commercial farmers more suspicious: they fear to lose their land either entirely or partly. This has contributed to deteriorating employment relations, increases in illegal evictions and more rapid mechanisation processes (decreasing job availability).

The restitution programme started very slowly. In 1999, only 3508 households had been given access to 112,919ha (Table 1) through the handling of 41 restitution claims (i.e. 0.06% of 68878 demands). However, following President Mbeki's instruction in 1999, advocating the finalization of the land claims by the end of 2005, the process was accelerated: between 1999 and November 2004, 48784 claims concerning 118784 households were settled. However, since 84% of these restitutions involved urban property and only one third resulted in effective land restitution (the remaining two thirds were settled through financial compensation⁶), only 810292ha changed hands.

Year	Restitution claims settled	Concerned households	Hectares restored	Total costs (thousand Rands)
1995-1999	41	3508	112919	12601
1999-2004	56679	151829	697373	4065950
Total	56719	155337	810292	4078551

Source: Commission on Restitution of Land Rights (2004) & Department of Land Affairs (2005)

⁶ Since every claim concerns a large number of households/individuals (sometimes more than 1000 households), the financial compensation (representing the equivalent of the acquisition price of one or more commercial farms) only represents a small amount of money per household.

Though it also has not attained its projected objectives, the redistribution programme has been more efficient. The SLAG programme had at the beginning of 2001 redistributed 1082111ha to 109457 households (Table 2). After 2001, as mentioned above, the LRAD programme took over farmland redistribution. Through this programme, about 1631 projects have been settled, totalling 663320ha and involving 41000 households. The LRAD programme thus made a quick and promising start, mainly because of its relatively simple administrative processes (since it concerns the subsidized purchase of available self-identified private land). However, the process has since slowed down, mainly due to funding problems at government level, as well as other problems discussed below.

Grants/ programmes	Redistribution projects settled	Concerned households	Hectares redistributed	Total cost (thousand Rands)
SLAG	821	109457	1082111	NA
LRAD	1631	41000	663320	NA
Total	2452	150457	1745431	NA

NA: not available

Source: Department of Land Affairs (2005)

At the end of 2004, more than ten years after the first democratic elections, only 3.1% of the country's 87 million ha of farmland have been redistributed (taking all land transfers into account, i.e. tenure reform, land restitution and land redistribution). The objective of redistributing 30% of the land has subsequently been postponed till 2015.

2.2. Does South Africa's land reform have the capacity to address the problems created by the past? Past reflections, new questions

Many have criticised the insufficient budgets allocated to land reform (NLC, 1998; Mayson, 2001), saying that the 0.3% of the national budget (685 million Rands available per year) set aside for land reform does not reflect a real will to accomplish the enormous task of solving the land inequality problem.⁷

Other criticisms focus on institutional or structural aspects of this problem, which the implemented measures and instruments do not adequately address. Makgobola (1996), Turner and Ibsen (2000), Kariuki (2001) and Lahiff (2005) denounce the liberal policies implemented in South Africa and show that land reform and agricultural development will not be possible as long as the entire situation (including aspects such as lack of adapted institutions, current social insecurity and increasing land pressure) does not allow the correct functioning of the land market, which is always characterized by distortions and frequent uncertainties. These authors claim that an approach guided only by offer and demand and not complemented by

⁷ This point is supported by the fact that in 1998-1999 only 359 million and in 2000-2001 only 103 million were used of the 685 million Rands available per year for land reform (Mayson, 2001). Similarly, only 50 million Rands are allocated to the LRAD programme. Considering land prices, this amount is grossly inadequate for the objectives of the programme.

regulation measures is not enough to transform the legacy of the racial configuration of South Africa's territory. For example, South Africa still does not have a land tax. Neglected in the 1980s so as not to disadvantage white farmers, the only owners of land (Nieuwoudt, 1987), land tax would encourage the commercialisation and thus the offering of land on the market. Similarly, South Africa lacks regulations about land utilisation and the conservation of under- or unutilised land, a situation which thus creates no extra costs and offers landowners no incentive to sell this neglected land. In addition, Act 70 of 1970 which forbids subdivision of properties, implemented under apartheid to limit the access of farm workers to land, has not yet been abolished (Department of Agriculture, 2001). This law continues to limit disadvantaged farmers now having difficulty accessing important credit. Lastly, the National African Farmers Union (NAFU) points out that a lack of transparency obscures what is actually happening in the land market. 97.5% of land transactions take place outside the framework of the land reform programmes, mostly occurring on local markets or through intra-community arrangements. No instruments exist to control or counter such practices (Anseeuw, 2004).

Other analysts (Aliber & Mokoena, 2000; NLC, 2000) complain about administrative complexity and excessive bureaucracy. They note that a transaction carried out within the framework of the land reform programmes takes up to two years. These extremely long cycles not only lead land owners to favour faster and less bureaucratic possibilities, but also hamper beneficiaries from benefiting from the best opportunities. This excessive bureaucratisation, together with the lack of public resources allocated to land reform, including human and financial support, explain the fact that the Department of Land Affairs is only a 'second choice negotiator' (Aliber & Mokoena, 2000). Furthermore, they note that organizational problems exist within and between different departments. These problems cause delays and create inconsistencies in the policies, measures and actions of these various stakeholders. This is particularly problematic between the Department of Agriculture and the Department of Land Affairs. This point is also stressed by liberal critics. Kirsten and Van Zyl (1999), for example, complain that lack of liberalization with consequent bureaucratization of the reform programmes obstruct development and investment in agriculture.

If the need and relevancy of land reform are accepted in South Africa and in many countries characterized by high economic inequality rates, the efficiency and the effectiveness of the implementation of the land reform programmes are still under discussion (World Bank, 1999; Department of Land Affairs, 2005).⁸ A common feature of most current approaches to land reform is that they do not link land reform and agricultural or rural development. Indeed, the absence of developmental concerns in these debates is striking. Land reform is presently mainly understood and evaluated as the actual physical quantity of land transferred from the ownership of whites to that of previously disadvantaged populations. The question whether this land reform has led to development, better livelihoods for the beneficiaries and increased production has been neglected. The links between land reform and development seldom if ever appear in South Africa's literature or policy measures.

⁸ A good example of such discussions is the recent National Land Summit is organised in July this year by the ANC, where the principles and the legitimacy of different land reform options were discussed (Department of Land Affairs, 2005).

The government has attempted several measures since 1999 to improve the efficiency of land reform. Firstly, the LRAD programme was developed, as discussed above. Focussing on developing small-scale emergent farmers, it also aims to improve coordination between the Department of Agriculture and the Department of Land Affairs. Secondly, the Integrated Sustainable Rural Development Strategy (ISRDS) was implemented, which has the main objective of improving coordination of public action and service delivery at the local level, so as to enable sustainable development. Thirdly, land reform has been included in the Integrated Development Plans (IDPs) of municipalities, guided by the Land Development Objectives (LDOs) formulated for the use of local government. Finally, the Department of Land Affairs developed a *Strategic Plan for 2004-2007* which should accelerate the delivery of land for development⁹ (Mbeki, 2004: 11).

These measures however mainly focus on organisational or governance aspects of land reform, aiming for better coordination and service delivery. However, effective means for structural assessment of the effects of land reform farms are still lacking. Two sources confirm this. Firstly, a study by Anseeuw (2004) emphasises that the land reform programmes are not accompanied by other necessary reforms, either agrarian or territorial. Drawing on qualitative and quantitative analyses of the potential results of the land reform programmes, Anseeuw warns that these programmes have limited potential for agricultural development. Secondly, early data about the success of restored farms is alarming: 11 years after the first democratic elections, nine after the implementation of the SLAG programme and four after that of the LRAD programme, 70% of all South African land reform projects in the post-settlement phase are experiencing operational difficulties or are considered unsuccessful (Department of Agriculture, 2004; RLCC, 2004). Most land reform beneficiaries derive few benefits from their land. Sender (2002) even states that present land reform programmes had in several cases negative effects on poverty alleviation. These facts are all the more disturbing considering that only about 4% of claimed land has been redistributed so far and that another 26% is expected to be transferred by 2015.

Thus even though the ISRDS and the land reform programmes are at present still not fully implemented, early negative observations of their effectiveness suggest that improving organisational efficiency and building delivery capacity are not sufficient for solving South Africa's land reform problems. Instead, the results of the Department of Land Affairs' first assessment suggest that weak links between land reform and development are the most important factors to consider.

Almost ten years after the implementation of land reform in South Africa, this reform's contribution to development must be evaluated. Rather than measuring the quantity of land that has been transferred, the consequences and impacts of this land

⁹ A number of developments and programmes have been put in place as part of an integrated developmental approach to land reform. These include the Land Care Programme funded by the Ministry of Agriculture and Land Affairs, the Extended Public Works Programme and the CASP programme, funded by the Department of Agriculture, offering subsidies to land reform beneficiaries to be used for improving land and infrastructure.

reform must be assessed. This main research objective has several sub-questions, at the levels of farm and household.

First of all, at farm level:

- What has happened to the restored farms? Has the transferred land undergone economic development? Were the beneficiaries in a position to develop economically viable farming activities? What types of activity are developed on these farms?
- How are these farms organized? How are the activities on these farms organized? Are the institutional structures (implemented through land affairs commissions) effective in organizing and/or managing these farms?
- Are these farms able to generate sufficient income for the beneficiaries?

Second, at household level:

- Can people benefit from these farms? Have the beneficiaries' livelihoods improved since they acquired land? Does access to land change the livelihood of the rural poor (in terms of monthly income, living conditions etc)?

Answering these questions will yield a more complete view of how land reform contributes to rural development in South Africa.

II. Assessing land reform in the context of development: research methodology

As mentioned above, land reform cannot only be assessed by measuring the quantity of land redistributed; the impact of land reform on economic and social development must also be investigated. However, no first-hand primary data about this issue is currently available. The necessary information thus needs to be collected.

This chapter will detail the research methodology applied to answer the questions listed in Chapter I. First of all, the concept of development will be detailed, which will lead, in a second part, to the identification of the determinants to consider and to the development of a research methodology. The third part of this chapter details the research set-up and clarifies the choice of the geographical research area. The fourth and last part presents the effective realized fieldwork.

1. Development: the concept applied to land reform in South Africa

Behind every policy intervention lies some theoretical assumption, either overt or covert, about the nature of development. There has been considerable debate over the definition, explanation, practice and evaluation of development over the past few decades. Many studies assume that no clear consensus about the definition of socio-economic development is possible. This study aims to supply some quantitative and qualitative indicators that will help to fill this gap.

One of the earliest theoretical approaches measures development in terms of economic growth using national income indicators (Hettne, 1990).¹⁰ In the 1960s and 1970s, evidence increasingly suggested that while a few developing countries manage to increase their growth rates and restructure their economies, the majority are unable to achieve such results, being plagued with increased poverty and debt, political repression, social inequality, displacement of traditional values and environmental damage (Conyers & Hills, 1984).

Newer approaches thus understood that development must also be assessed in terms of its socio-economic effects within a developing country, its ability to empower the poor with basic needs for human development (McGranahan, 1973; Amin, 1974). The goals of development were redefined with much greater emphasis on non-economic aspects. Development came to be conceived of and measured in terms not only of economic factors but also social well-being, political structures and the physical environment (UNDP, 1991). This led to a broader conception of development which includes alternative dimensions such as human autonomy, equity, empowerment and cultural identity. This approach also suggests that development occurs at different levels, not just nationally, but must also be assessed at all levels if the human, equity,

¹⁰ This approach is modelled on evolutionary theory, assuming that developing countries aspire to achieve the type of society that exists in the developed world by passing through a number of stages of economic growth similar to those which the countries of western Europe had experienced (Rostow, 1960).

livelihood and poverty aspects of development are to be considered. Development concerns an individual level (satisfaction of basic needs in a social context), an intermediary or meso level (project feasibility and sustainability) and a global level (economic growth). Disaggregated assessments, at household or project level, are more appropriate in such cases.

Our objective here is not to discuss different definitions, approaches or points of view, but to explore how these different concepts and approaches to development can be linked to the process of South African land reform.

Like development, land reform does not only have implications at a global level, i.e. economic growth (World Bank, 1999). Since development and poverty alleviation are two of the major objectives of land reform, social and economic factors affecting land reform projects and beneficiaries must also be considered (Anseeuw & Mathebula, 2006). Since the global level is not the objective of this research project, assessing land reform in the context of development implies that¹¹:

- the project should maintain or enhance its capacities and assets (Chambers, 1987), i.e. involve long-term maintenance and survivability (if not enhancement);
- the beneficiaries should benefit from stocks and flows of food and income adequate for basic human needs to be met (Attfield *et al.*, 2004);

2. Assessing land reform in conjunction with development

The previous section shows the complexity of assessing land reform in terms of development. Economic, social and ecological aspects have to be taken into account at various different levels.

Thus a specific research methodology is needed to assess land reform. First of all, according to the objectives of this study, we have to define precisely the units to be observed and the geographical area to be explored. The types of land reform projects to be assessed must also be identified.

2.1. Land reform projects and beneficiaries as observation units

Assessing the impact of land reform on development cannot be done at the sole level of the farm. Therefore in defining the units to be observed, two levels of observation and analysis are retained, namely the land reform project and the land reform beneficiary.

- *The land reform project:*

The land reform project is the relevant entity to gather information concerning its production structure, but also about the initial phase of land acquisition, organization within projects/farms, institutional relations between projects/farms and external institutions, problems at project level, etc.

¹¹ A third condition related to development could be added: without undermining other such livelihoods, or potential livelihoods for the coming generation (Attfield *et al.*, 2004).

Gathering information at project level will yield a broad understanding of how the farm was acquired, how it operates and how it evolves. However, such aspects as the project's internal framework and individual people's behaviour, benefits, etc. can only be investigated at beneficiary level.

- *Land reform beneficiary:*

Investigating land reform at beneficiary level is needed to better understand the position of each beneficiary within the project/farm structure and to assess their individual behaviour related to the project. Assessing whether land reform affects livelihoods necessitates the identification of the benefits, opportunities, problems, etc. of the beneficiaries.

Integrating this information with that gathered at project level reveals the relationships each individual has within the group, how he/she benefits (or not) from land reform and, consequently, how he/she behaves towards this group and/or project.

2.2. Municipality as geographical research unit

Since land reform happens all over South Africa's geographical area, we had to choose a narrower research area. The municipality was identified as the relevant unit for two complementary reasons:

- The municipal entity is the smallest entity enclosing almost all administrative structures. Unlike a ward, which is the smallest administrative entity (which only has a ward council), a municipality has regional offices of the Department of Agriculture, Department of Public Works, etc. Gathering information at municipality level thus remains more centralized.
- Geographically, a municipality is a single administrative entity yet is large enough to host enough land reform projects to yield comprehensive data in terms of quantity, quality and diversity of projects.

2.3. Assessing restitution, SLAG and LRAD projects

This research project focuses on restitution and redistribution (SLAG and LRAD) projects. The land tenure reform programme is not included. This is because few land tenure reform projects have been implemented as yet. Furthermore, those which have been implemented do not directly deal with land, access to land or development, which are the focus of this study. (The Labour Tenants and Extension of Security of Tenure Acts, for example, deal with the protection of farm workers' rights).

3. The choice of Mole-mole municipality

The municipality of Mole-mole in the Limpopo Province was chosen as the research site of this project. The choice was motivated by the importance of land reform in the Limpopo Province as a whole and in the Mole-mole municipality in particular.

3.1. Importance of land reform in the Limpopo Province

As mentioned above, most of South Africa is currently experiencing land reform. The Limpopo Province was chosen for several reasons.

Firstly, this province shows an extremely skewed distribution of land ownership arising from the homeland system: of Limpopo's total area, i.e. 123600km², two thirds, or 87000km², were allocated under apartheid for white private ownership and use. The province had 7200 commercial farming units in 1994 (SSA, 1996) (Figure 1). Approximately 36000 km² (one third of Limpopo's land area) were included into former homelands. This land, the great majority held under some form of communal tenure (Lahiff, 1997), was home to about 299000 black small-scale farmers (SSA, 1996).

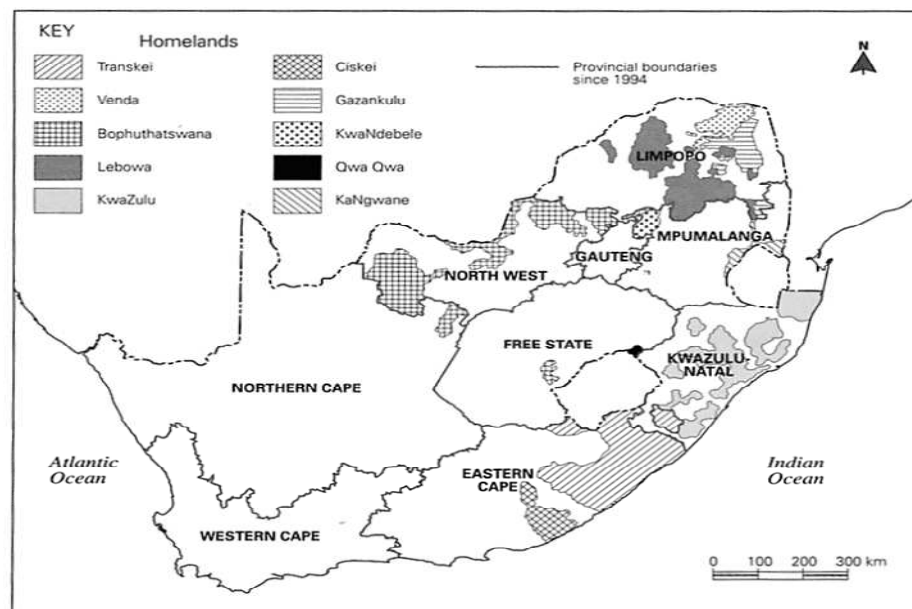


Figure 1: South Africa's former homelands' territories in 1994

Source: Adapted from Gervais-Lambony, 1997.

Secondly, Limpopo Province is very active in land reform. With 236450ha redistributed or restituted since 1994, officially benefiting 115393 people, Limpopo is the fourth most active province in land reform in terms of number of beneficiaries. It represents 13.2% of South Africa's present land area involved in land reform (Table 3).

Province	Redistribution		Restitution		Total	
	Hectares	Beneficiaries	Hectares	Beneficiaries	Hectares	Beneficiaries
Eastern Cape	314368	13600	46123	147860	360491	161460
Free State	226154	3482	45748	18222	271902	21704
Gauteng	32766	2741	3555	58221	36321	60962
Kwazulu Natal	297975	8535	188441	161670	486416	170205
Limpopo	107980	2353	128470	113040	236450	115393
Mpumalanga	135989	1497	91318	141671	227307	143168
Northwest	186695	6573	71925	76455	258620	83028
Northern Cape	539569	617	233634	34118	773203	34735
Western Cape	110315	3475	3101	78532	113416	82007
Total	1951815	42873	812315	829789	2764130	872662

Source: Department of Land Affairs (2005).

Thirdly, the land circumstance patterns in Limpopo are strongly linked with the relative poverty of the Province. The province's contribution to South Africa's GDP was 3.8% in 1996 (SSA, 1998). Furthermore, Limpopo's economy is vulnerable to external shocks due to its dependence on the primary sectors of mining and agriculture. Agriculture contributes approximately to 38% of the GDP of the province and provides 17% of the formal employment (SSA, 1998). The average household income of R19176 per year is also much lower than South Africa's yearly average of R29004. Other than this formal employment, most rural households rely on some agricultural activity mostly for auto-consumption.

Finally, Limpopo is relatively rural when compared to South Africa's other provinces. According to the 2001 census (SSA, 2001), of the 5.3 million inhabitants of Limpopo, 89% live in rural areas (significantly more than the national average of 46%). Due to land holding patterns in the Province, these 89% occupy only 33% of the available land (Development Bank of Southern Africa, 1995). As a result, land and agriculture are important features in the economy of the Limpopo Province. Linking land reform and development could thus be a very useful instrument to alleviate poverty and to improve local livelihoods in the province.

Though the whole of the Limpopo Province is suitable for this research, time constraints prompted the choice of a smaller, more precise area in order, firstly, to circumscribe precisely the research area and, secondly, to gather the necessary information so as to assess all the different aspects and programmes of South Africa's land reform process.

Three major criteria determined the choice of observation entity to link land reform analyses to development: firstly a relevant geographical/administrative entity, secondly the number of land reform projects and thirdly the links with the original communities from which the land reform beneficiaries come. Consideration of these criteria led to the choice of the municipality of Mole-mole as the geographical research area.

3.2. Mole-mole municipality: a node for land reform within the Limpopo Province

Mole-mole was chosen within the Limpopo Province because of the importance of land reform to this municipality and the presence within its bounds of a high number of land reform projects (redistribution and restitution) processed in the not-too-recent past. This combination of factors allowed our data collection to cover the largest possible diversity of projects.

Mole-mole is predominantly a rural municipality with substantial potential for development, particularly commercial agricultural development. The main features making the area so suitable for agricultural growth and development are the availability and reliability of its underground water, a generally warm climate and the suitability of the soil for cultivation and most particularly irrigation (Mole-mole Municipality, 2004).

Approximately 80% of the municipal area is used for farming (subsistence and commercial). The north-western part of the municipal area consists mostly of privately owned commercial farms. A large proportion of various farming products are exported to neighbouring countries such as Zimbabwe and Mozambique and more widely. Most families have a piece of land for subsistence farming. People in the area tend to have high expectations of land reform, especially since only 53% are engaged in formal or informal employment (Mole-mole Municipality, 2004). A detailed description of Mole-mole can be found in annexure I.

Mole-mole has a total of 42 land reform projects, involving a total 31800ha of land and officially benefiting 5152 households (Table 4). Though neighbouring municipality BelaBela has more land reform projects (43) and Mogalakwena a larger area of land involved, neither of these municipalities presents the same diversity of land reform projects as Mole-mole. BelaBela has mostly LRAD projects that have just been implemented and are too young to be evaluated, and Mogalakwena has only 13 large projects.

Mole-mole has (Table 4, Figure 2) (Limpopo Provincial Department of Agriculture, 2005):

- 6 restitution projects, concerning in total 16901ha and officially 3791 households;
- 17 SLAG projects, concerning 8747ha and officially 1183 beneficiaries; and
- 19 LRAD projects, concerning 4027ha and officially 178 beneficiaries.

These 42 projects involve 39 farms in total (a project can encompass several farms or concern only part of a farm) (Figure 2). Another 14 claims have not yet been processed (Figure 3).

Municipality	Restitution			SLAG			LRAD			TOTAL		
	Number of projects	Number of households	Hectares	Number of projects	Number of households	Hectares	Number of projects	Number of households	Hectares	Number of projects	Number of households	Hectares
BelaBela	1	111	1966	4	351	2236	38	127	5743	43	589	9945
Blouberg				2	67	1111	2	20	64	4	89	1175
Gr Groblersdal				5	403	254				5	403	254
Gr Letaba	2	1505	7328	1	80	193				3	1506	7521
Gr Phalaborwa							3	12	64	3	12	64
Gr Tzaneen	2	1844	3566	13	884	2223	7	163	608	22	2891	6397
Gr Tubatse				2	484	2986				2	484	2986
Lephalale				3	134	1317	11	67	11026	14	201	12343
Makhado	7	2337	8227	1	98	561	19	28	7993	28	2463	16781
Makhuduthamaga	1	0	89							1	0	89
Modimolle	2	1172	14695				3	13	12	4	1185	14707
Mogalakwena	4	1188	24717	3	854	24454	6	62	823	11	2104	49994
Mole-mole	6	3791	16901	17	1183	8747	19	178	4027	42	5152	31800
Mookgopong	3	324	3831	4	120	1388	7	41	8476	14	485	13695
Mutale	1	909	27							1	909	27
Polokwane	2	608	4125	10	1059	11883	12	428	5033	24	2095	21041
Thabazimbi							2	12	3716	2	12	3716
TOTAL	31	13789	84472	65	5717	57356	120	1163	47591	223	21580	192535

Source: Limpopo Provincial Department of Agriculture, 2005.

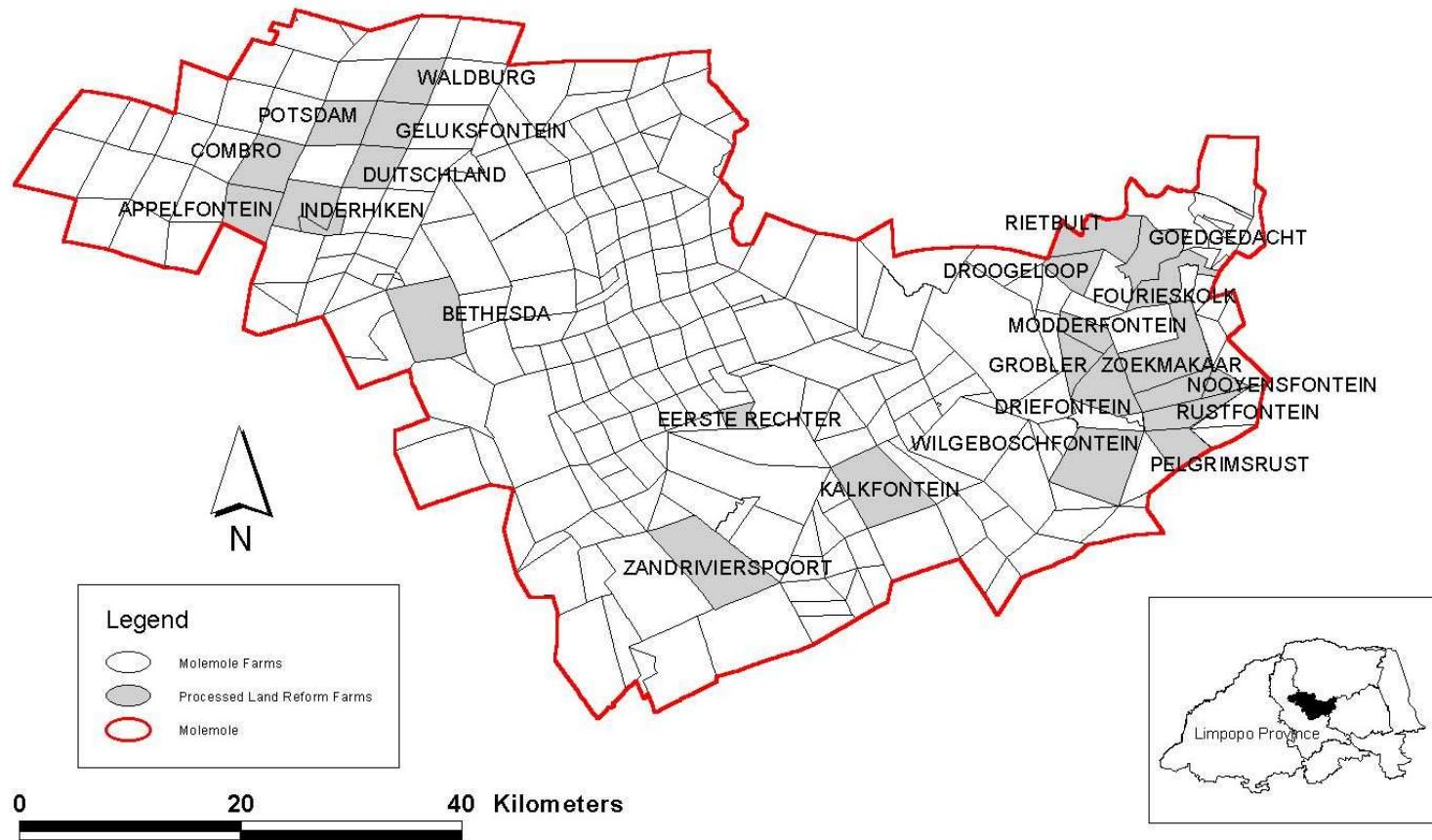


Figure 2: Processed land reform farms in Mole-mole

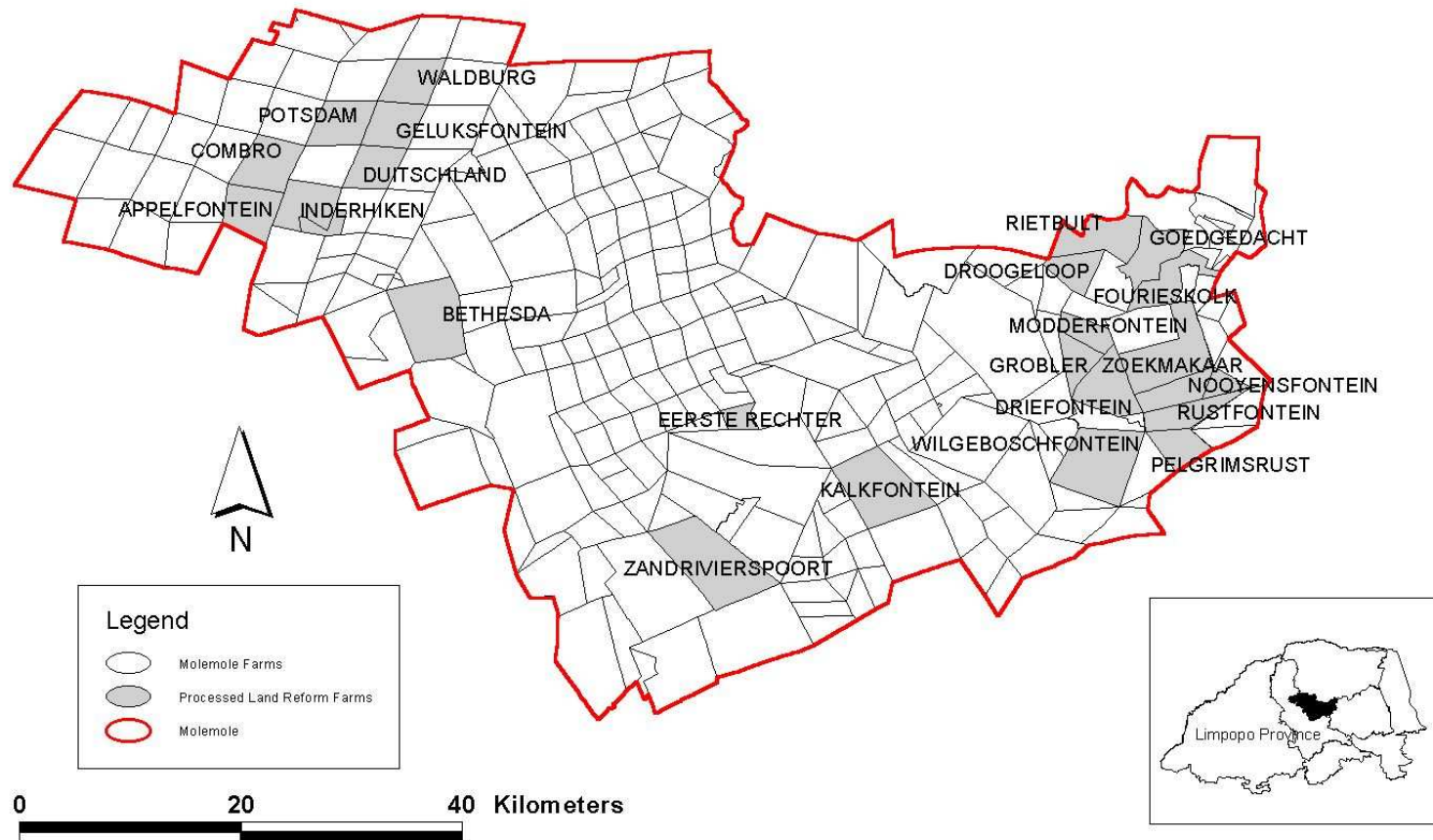


Figure 3: Processed and unprocessed land reform claims in Mole-mole

Legend Figure 3					
Farm	No	Farm	No	Farm	No
APPELFFONTEIN	1	POTSDAM	19	KLEINFONTEIN	37
BETHESDA	2	RIETBULT	20	KOPJE ALLEEN	38
COMBRO	3	RUSTFFONTEIN	21	KRAALHOEK	39
DRIEFFONTEIN	4	WALDBURG	22	LOCATIE VAN RAMAGOEP	40
DROOGELOOP	5	WILGEBOSCHFONTEIN	23	MAGATASPRUIT	41
DUIFSCHLAND	6	ZANDRIVERSPOORT	24	MAROELABULT	42
EERSTE RECHTER	7	ZOEKMAKAAR	25	MOOPLAATS	43
FOURIESKOLK	8	BLOEMTUIN	26	NET RECHT	44
GELUKSFONTEIN	9	BLOOMFIELD	27	RIETGAT	45
GOEDGEDACHT	10	DOORNLAAGTE	28	SMITSKRAAL	46
GROBLER	11	DRIEFFONTEIN	29	UITKOMS	47
INDERHIKEN	12	DROOEGGROND	30	UITKOMST	48
INDERHIKEN	13	DROOGELOOP	31	VREDE	49
KALKFFONTEIN	14	GELUK	32	WATERVAL	50
MODDERFFONTEIN	15	GROBLER	33	WEESKIND	51
NOOYENSFFONTEIN	16	HAASBULT	34	WILGEBOSCHFONTEIN	52
NOOYENSFFONTEIN	17	HATTINGSBURG	35	ZANDBULT	53
PELGRIMSRUST	18	KLEIN BEGIN	36		

Mole-mole has an important number of land reform projects mainly because in 1994 the land was entirely owned by whites. Furthermore, according to several local technical staff interviewed during the survey, the municipality's relative proximity to Polokwane could have also speeded up the reform process.

4. Data collection and fieldwork

Since very little primary data are available at municipal level, data collection was organized. This involved a literature review, collection of general information through interviews and zoning and administration of a detailed questionnaire.

4.1. Review of available data and literature

Although very little information was available, existing data was gathered through a review of the available literature, with two specific foci:

- General information about Mole-mole, including the establishment and evolution of social and economic structures, focusing on history (origins, deportations), the municipality's economy and agricultural situation; and
- Statistical and administrative information, especially concerning land reform on both local and provincial level.

4.2. Collection of general information through interviews and zoning

Additional general information was gathered to complement local, often historical information and so yield a better understanding not only of geographical and natural features but also socio-economic factors and organisations within the research area.

This information was gathered through:

- Interviews with local agents of the Department of Agriculture (at the provincial, municipal and local levels) and with members of the local councils; and
- Zoning of the area and local communities in collaboration with key informants from the area such as traditional leaders, councillors and extension officers.

4.3. Questionnaire on land reform and development

The most important method for collecting the primary data needed to assess the impact of land reform on development was an open-ended questionnaire administered as a monographic interview.

4.3.1. Sample size

Since only Mole-mole Municipality was selected for this project, the sample size was kept extensive by including all the land reform projects: all 42 land reform projects were selected for the project (Table 5).

Table 5: Mole-mole's land reform projects

Project	Households	Area (ha)	LR type	Transfer date	Farm Name
Bethesda	574	3580	Restitution	04.04.2004	Bethesda 208LT
Fanang Diatla Trust	49	62	SLAG	09.02.2000	Ptn 69 & 70 of Zoekmekaar 778 LS
Fishof comokgerepi	4	825	LRAD	01.01.2002	Walzburg 1261 LS (Port1-4&REM)
Ga-Mabohlajane (urban)	936	52	Restitution	04.10.2004	Duitschland 169 LS(Port.8)
Babogadi Trust	6	9	LRAD	01.02.2005	Geluksfontein 127 LS (Port.4)
Gotlotlometsa TR	6	9	LRAD	01.02.2005	Geluksfontein 127 Ls (Port.13)
Letswa Tshemong	16	28	LRAD	01.02.2005	Geluksfontein 127 LS (Port.21)
Letjepe Mpolaye	17	26	LRAD	01.02.2005	Geluksfontein 127 LS (Port.22)
Bare Gakeleme Trust	6	9	LRAD	01.02.2005	Geluksfontein 127 LS (Port.5)
Keya Lema Trust	6	9	LRAD	01.02.2005	Geluksfontein 127 LS (Port.6)
Ke Lema Kelenosptr	6	9	LRAD	01.02.2005	Geluksfontein 127 Ls (Port.7)
Mokgadi Trust	6	9	LRAD	01.02.2005	Geluksfontein 127 LS (Port.8)
Letlapa Go Lema TR	6	9	LRAD	01.02.2005	Geluksfonteis 127 LS (Port.9)
Mmabafaata Trust	6	9	LRAD	01.02.2005	Geluksfontein 127 Ls (Port.10)
Lephala Le Basom	6	9	LRAD	01.02.2005	Geluksfontein 127 LS (Port.11)
Basomi Trust	6	9	LRAD	01.02.2005	Geluksfontein 127 LS (Port.12)
Hivuyerilwile Trust	30	669	SLAG	04.07.2000	Nooyenfontein 780 LS Rem of Ptn
Ikageng	104	418	SLAG	16.11.1998	Driefontein 777 LS&REM aldersyde
Kgadima	88	1140	SLAG	05.10.2000	Wilgeboschfontein 818 LSN Ptn
Lehlabile Trust	43	720	SLAG	01.02.2000	Rem of ptn3 of Zoekmekaar 778 LS
Lehlangeng	52	1139	SLAG	17.11.2000	Pelgrimsrust 782 LS
Mapiribiri	68	289	SLAG	26.05.1999	Driefontein 777 Ptn 5 &8
Maiwasshe Estate	3	916	LRAD	01.05.2002	Goegdedacht1179LS(REM)
Makgato	55	186	SLAG	28.01.2000	Zoekmekaar 778 LS rem ptn 12&34
Makhamotse	121	1392	SLAG	09.11.2000	Rustfontein 781 LS
Makotopong	950	3600	Restitution	26.02.2002	Kalkfontein 776 LS
Marginalised	137	973	SLAG	25.06.1998	Nooyenfontein 7801 LS plot3, Driefontein, Alderside
Marobala-O-Itsose	427	7148	Restitution	16.01.2004	Appelfontein 189LS, Combro 163LS, Inderhiken 165LS, Potsdam 128LS
Marobala Chicken	88	232	SLAG	06.06.1999	Ptn 6 of Driefontein 777 Ls
Matau Investment Trust	60	524	SLAG	28.08.2000	Ptn 1 of Zandrivierpoort 851LS
Matshehla	60	396	SLAG	26.05.1999	Ptn 7 of Driefontein 777 Ls
Morebene	590	2573	Restitution	01.07.2005	Zoekmekaar 788LS Ptns 6,19,21,24,25,44,46,48,56,57, Modderfontein 517LS Ptns 3, Fourieskolk 1174LS Ptns 2
Oracle Props 1044 CC	3	400	LRAD	01.01.2002	Rietbult 523LS(PORT1)
Re a leka	12	7	LRAD	01.03.2005	Soekmakaar ah (Port.10,11, &12)
Soka Lehlo	35	104	SLAG	28.01.2000	Ptn 71 of Zoekmekaar 773
Thusanang Trust	45	85	SLAG	25.05.1999	Ptn 12 of Zoekmekaar 778 ls
SpringKaan Farm	3	566	LRAD	01.07.2005	Droogeloop 516 LS
Tau-tlou-phuti Project	2	259	LRAD	01.01.2005	Eerste Rechter 794 LS (Port.3)
Waterval	59	324	SLAG	01.10.2000	Grobler 776 LS REM & Ptn 3
Re Ya Lema Project	32	164	LRAD	Not yet	Geluksfontein 127 LS (Port.24)
Makgato Rstitution	1821	NA	Restitution	Not yet	
Up North/Central	60	605	SLAG	01.02.2005	Rem of Nooyenfontein 780 LS

* NA: Not available

Source: Limpopo Provincial Department of Agriculture, 2005.

Unfortunately, three of the 42, namely Re Ya Lema, Makgato and Up North/Central could not be assessed for several reasons:

- Re Ya Lema: though negotiations began more than two years ago and Land Affairs has agreed on the transfer, conflicts and procedure complications have delayed the transfer of the land. The previous owner still occupies the land. Even though the beneficiaries do not have access to the land, they were interviewed about problems, organisational factors, actions, future plans and expectations.

- Makgato Restitution: in total this involves 14 farms in Mole-mole. Though some have been transferred, the majority must still be processed. None is presently occupied by the beneficiaries. The chairman of the trust was nevertheless briefly interviewed.
- Up North/Central: this land reform project has not yet been realised due to organisational problems. None of the beneficiaries could be reached for interview.

Of the total 42 projects, 39 processed projects were assessed, two projects in the phase of finalisation were interviewed and one project was not evaluated.

4.3.2. Land reform beneficiaries interviewed

As the majority of the projects (except some LRAD farms) involve a large number of beneficiaries, it was decided to interview the management committee of each project, since they represent the legal entity (Communal Property Association (CPA), Trust or Close Corporation (CC)) of the project, as well as at least one beneficiary who is not a management committee member. This was necessary to reach the two levels investigated in this research project, namely project and beneficiary, revealing differing points of view and opinions.

However, as we will see later, many of these projects do not involve the total number of beneficiaries. Indeed, in most cases only few beneficiaries are actively engaged in the project. In these cases, all active beneficiaries were interviewed.

4.3.3. Open-ended questionnaire

As discussed above, land reform must be assessed both at project level and at beneficiary level. Accordingly, the questionnaire has two main parts, enquiring about these two levels.

Information about the land reform project includes:

- Description of the land reform project: acquisition process, infrastructural and structural description of the project, organisation within the project;
- Evolution of the project: past and present activities and production structures, overall evolution of the project;
- Institutional integration of the project: type of association in which the project is involved, the (private/public) institutions with which it deals, collective action and network structures in which it is engaged; and
- Description of factors limiting the project: problems, limiting aspects and obstacles to development.

Information about the land reform beneficiaries includes:

- Description of the beneficiary's individual situation: origin, involvement, tasks;
- Position of the beneficiary within the beneficiary's group: links and relationships between the beneficiaries;
- Institutional integration of the beneficiary: type of association in which the beneficiary is involved, collective action and network structures in which he/she is engaged, links the beneficiary maintains with his/her community of origin;

- Trajectory of the beneficiary: his/her professional and social situation before acquisition of the farm; and
- Links to the community: relationship the beneficiary had and maintains with his/her original community, importance he/she attaches to the community, reasons for maintaining or breaking these links.

4.4. Additional information

Additional information was gathered on two main issues:

- The collaboration and cooperation between land reform projects within the Mole-mole area, including issues such as what type of associations exist, how they developed, what their objectives are. Chairpersons of these associations and organisations, identified through the questionnaires, were thus also interviewed.
- The relationships between the beneficiaries and the former (white) property owners. Interviews with the former property owners were also organised to gain an external view of the land reform projects and to better understand the reasons for or against cooperation between these two parties.

During the course of the data collection we spent several weeks on land reform projects within Mole-mole, and so gained a better understanding of the organisation, values and points of view of the beneficiaries. Informal discussions helped us to grasp the reasons and logic behind some actions, and the people's way of living and reasoning.

4.5. Fieldwork

All the fieldwork was conducted by the main researcher supported by a research assistant who spoke the local language. The interviews mostly took place on the farms. They lasted between one and three hours and often culminated in a tour of the farm.

To help avoid practical problems, a general meeting was organized before the project began. At this meeting representatives of all the land reform projects in Mole-mole came together. This enabled us to gather the necessary logistic facts (e.g. the sites of the projects), to introduce ourselves and the project to the beneficiaries, to discuss the project with them and to build trust with our potential interviewees. We also engaged a local facilitator to assist us with finding the farms, communicating with beneficiaries and build up trust

III. Land reform in Mole-mole in the context of development

Land reform is a recent development in South Africa. Though the process of land reform has been extensively studied, its effective results have not yet been assessed. To assess the links between land reform and development, an analytical description of the land reform projects investigated in this study is necessary.

This chapter has two related foci. The first is an overall description of the state of land reform in Mole-mole. It details field observations at project and beneficiary levels and presents some success stories. The second presents an analysis of these observations to identify some of the successes and failures of land reform in the region. This will enable us to suggest some possible reasons for these successes and failures.

1. Land reform, success or failure? A first description

This description of land reform in Mole-mole has four parts: 1) overall description of the land reform projects in Mole-mole; 2) presentation of the negative trajectories of the land reform projects; 3) discussion of the minimal impact land reform has had on the beneficiaries; and 4) description of the only three successful land reform projects in Mole-mole.

1.1. Description of Mole-mole's land reform projects

Mole-mole's land reform projects involve, to date, 28887ha (9.4% of Mole-mole's total area) and officially 4691 beneficiary households. The characteristics of the individual projects vary greatly according to the type of land reform.

Of the 39 projects assessed, five are restitution projects, 16 SLAG projects and 18 LRAD projects (Table 6).

Type of land reform project	Project	Legal entity	Title deed	Origin	Transfer date	Households	Area (ha)
RESTITUTION	Rita/Bethesda	CPA	n	Moletsi/pietersburg	04.04.2004	574	3580
	Ga-Mabohlajane (urban)	CPA	n	Koninggratz/Dendron	04.10.2004	936	52
	Makotopong	CPA	y	Makotopong/Pietersburg	26.02.2002	950	3600
	Marobala-O-Itsose	CPA	y	Moletsi/Dendron/Nelspruit	16.01.2004	427	7148
	Morebene	CPA	n	Zoekmeaar/Matoks	01.07.2005	590	2573
Total restitution						3477	16953
SLAG	Fanang Diatla Trust	Trust	y	Zoekmeaar	09.02.2000	49	62
	Hivuyerilwile Trust	Trust	y	Sekgopo	04.07.2000	30	669
	Ikageng	Trust	y	Dikgale	16.11.1998	104	418
	Kgadima	Trust	y	Sekgopo	05.10.2000	88	1140
	Lehlabile Trust	Trust	y	Zoekmeaar	01.02.2000	43	720
	Lehlangeng	Trust	y	Sekgopo	17.11.2000	52	1139
	Mapiribiri	Trust	y	Dikgale	26.05.1999	68	289
	Makgato	Trust	y	Makgato	28.01.2000	55	186
	Makhamotse	Trust	y	Sekgopo	09.11.2000	121	1392
	Marginalised	Trust	y	Dikgale	25.06.1998	137	973
	Marobala Chicken	Trust	y	Dikgale	06.06.1999	88	232
	Matau Investment Trust	Trust	y	Makgato	28.08.2000	60	524
	Matshehla	Trust	y	Dikgale	26.05.1999	60	396
	Soka Lehlo	Trust	y	Makgato	28.01.2000	35	104
	Thusanang Trust	Trust	y	Ramokgopa	25.05.1999	45	85
	Waterval	Trust	y	Dikgale	01.10.2000	59	324
Total SLAG						1094	8653
LRAD	Fishof comokgerepi	cc	y	Blouberg	01.01.2002	4	825
	Maiwasshe Estate	cc	y	Thoyoyandou	01.05.2002	3	916
	Oracle Props 1044 CC	cc	y	Polokwane, Aganag	01.01.2002	3	400
	Re a leka	cc	n	Moletsi/Ramagopa	01.03.2005	12	7
	SpringKaan Farm	cc	y	Matoks/Pietersburg	01.07.2005	3	566
	Tau-tlou-phuti Project	cc	y	Lebowa Kgomo	01.01.2005	2	259
	Babogadi Trust	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Gotlotlometsa TR	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Letswa Tshemong	Trust	y	Ga-Poopedi	01.02.2005	16	28
	Letjepe Mpolaye	Trust	y	Ga-Poopedi	01.02.2005	17	26
	Bare Gakeleme Trust	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Keya Lema Trust	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Ke Lema Kelenosptr	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Mokgadi Trust	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Letlapa Go Lema TR	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Mmabafaata Trust	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Lephala Le Basom	Trust	y	Ga-Poopedi	01.02.2005	6	9
	Basomi Trust	Trust	y	Ga-Poopedi	01.02.2005	6	9
Total LRAD						120	3117
TOTAL						4691	28887

Source: Limpopo Provincial Department of Agriculture, 2005.

1.1.1. Restitution projects

The restitution farms, all claimed around 1996, were transferred between 2002 and 2005. These restitution projects involve communities displaced between 1960 and 1970 and mostly scattered to different places. As a result the projects are composed of subdivided groups of people, often with different traditional leaders, who have come from relatively far and diverse places (some beneficiaries of the Marobala-O-Itsose project came from Nelspruit, Mpumalanga, for example). The projects are structured through Communal Property Associations (CPAs). Each CPA is managed by a committee, which is generally elected by the beneficiaries. This committee often represents the entire community. As a result, in all restitution cases, traditional hierarchical structures are still very much present. The CPAs, through their committees and members, have each adopted a constitution pre-drafted by the Commission for Land Restitution and often implemented without any amendments. Though all these restitution claims have already been processed, three of the five still do not have their title deeds.

Except for the Ga-Mabohlajane project, which is an urban claim, the restitution projects concern large areas and many people. They are often composed of several farms: in Mole-mole the five restitution projects cover eight different farms (Figure 4). On average, a restitution project concerns 695 households and 3390ha. This yields an average figure of 4.9ha per household, which calls into questions the feasibility of such projects (since the carrying capacity in the region is estimated at 5ha/LSU¹²). The price paid for land is on average R391 per hectare and R4351 per household. Depending on what improvements are made to the land these figures can increase greatly (Table 7).

¹² Large Stock Unit.

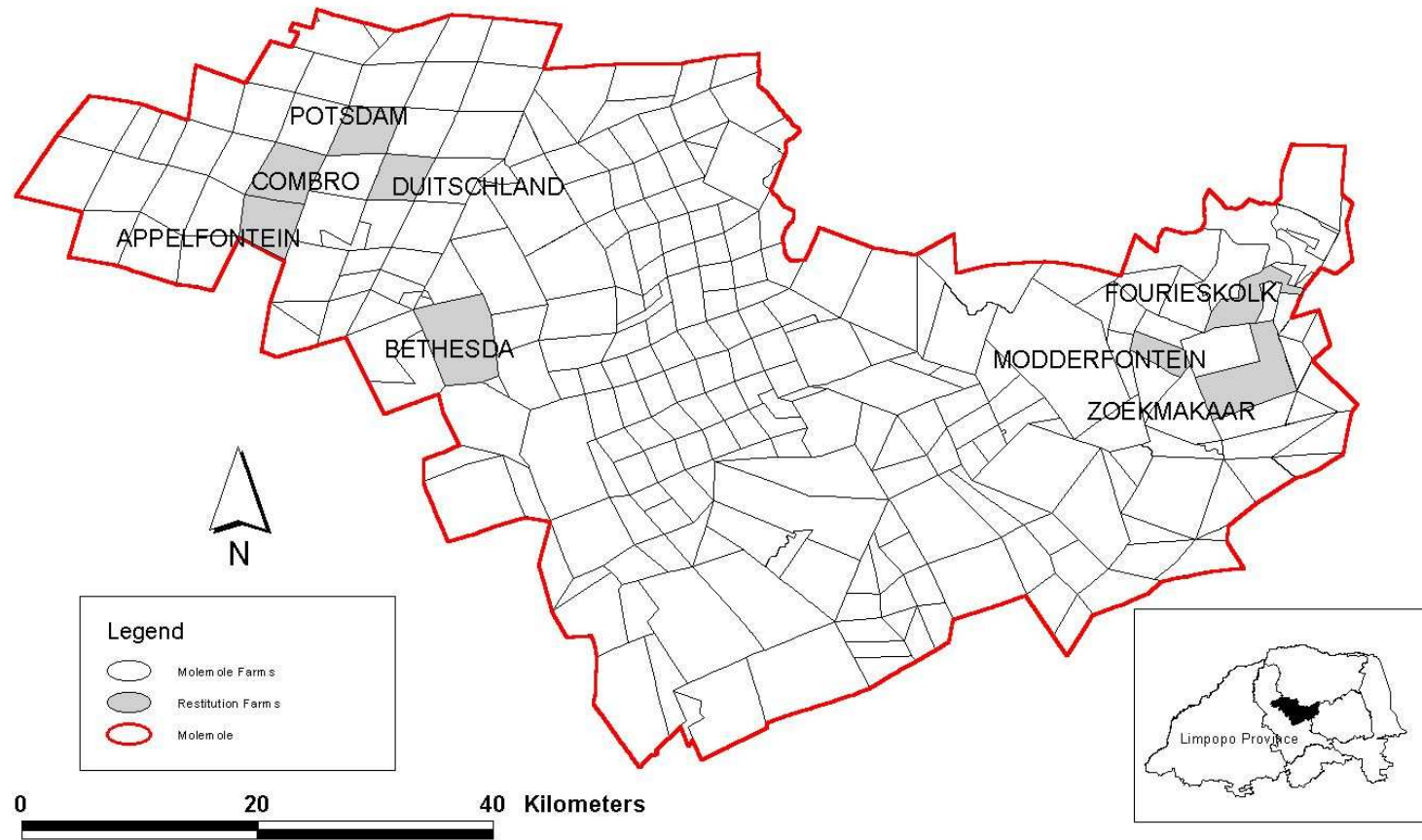


Figure 4: Farms in Mole-mole affected by restitution claims

Table 7: Synthesis of the characteristics of Mole-mole's land reform projects (restitution, SLAG and LRAD)			
	Restitution	SLAG	LRAD
Number of projects	5	16	18
Average area per project (ha)	3390	540	173
Average area/HH (ha/HH)	4.9	7.9	26
Average price per project (Rands)	1325490	774857	674750
Average price per ha (Rands)	391	2588	5598
Average number of HH per project	695	68	7
Average number of beneficiaries per project	4156	338	12
% male/female	- ¹	64/36	74/26
% youth (<18)	- ¹	6	4
Origin of beneficiaries	* far * scattered places * 1 community	* less far * 1 geographical area * part community	* far/less far * 1 geographical area * limited group
Acquisition procedure	claim (previously displaced)	seller-driven	seller-/buyer-driven
Time to process applications (years)	7.8	2.9	2.3
Financial implications for beneficiaries	none	SLAG grants (# hh according to price)	LRAD grants (% of own contribution) + loan
Type of acquired farm	several farms	entire or part of farm	entire or part of farm
Legal/ institutional structure	* CPA * elected constitution * traditional tribal hierarchy * not always title deed	* trust * elected constitution * community-elected management committee * title deed	* CC ² * no constitution * no hierarchy or management committee * title deed

(1) no data available

(2) close corporation. One LRAD project had the legal structure of a trust, subdivided into 13 sub-trusts.

1.1.2. SLAG projects

The SLAG projects were mainly transferred between 1998 and 2000. The transfer process of these SLAG projects was less complex than that of the restitution claims for several reasons. Firstly, the SLAG projects often only involve one or just part of a farm, easing the negotiation process. Secondly, several previous owners decided to sell their land jointly and use land reform as an opportunity to sell. Several consultants, linked to the Department of Land Affairs, were employed to organise and process the projects, at administration and community level. For each project, groups of beneficiaries gathered together in numbers sufficient to cover the price of the land¹³ and formed trusts. As a result, the beneficiaries in each group usually come from the same community often located relatively close to the project. As is the case with the restitution projects, the SLAG projects are managed by a committee, generally elected by the beneficiaries. Since these projects do not concern entire communities but rather groups of people, traditional hierarchies are generally not maintained. The trusts have also adopted constitutions pre-drafted by the Department of Land Affairs, and often implemented without any amendments. All SLAG project committees are in possession of their land's title deeds.

The SLAG projects involve on average 68 households and 540ha, representing 7.9ha per household (61% more than in the restitution cases, but still small according to the agricultural potential of the land). The price per hectare is R2588 (more than seven times higher than the restitution projects') or R13700 per household (Table 7).

The 16 assessed SLAG projects only involve eight farms (Figure 5). Most of the projects cover only part of a farm. One effect of this is the fact that some of the projects, at least initially, did not have the necessary infrastructure or access to specific resources such as water. With one exception, all the farms are located in the eastern part of Mole-mole, probably because several property owners sold their farms in succession in this area.

¹³ Since every household is granted a SLAG grant of R16000, the size of the trust should be proportional to the price of the land (e.g. a piece of land costing R320 000 should have a trust of at least 20 households). Only Lehlabile Trust could not find enough beneficiaries to cover the purchase price of the farm and had to borrow money. In most cases, additional beneficiaries are generally included in a trust so that supplementary funds are available for infrastructure, implements, inputs etc.

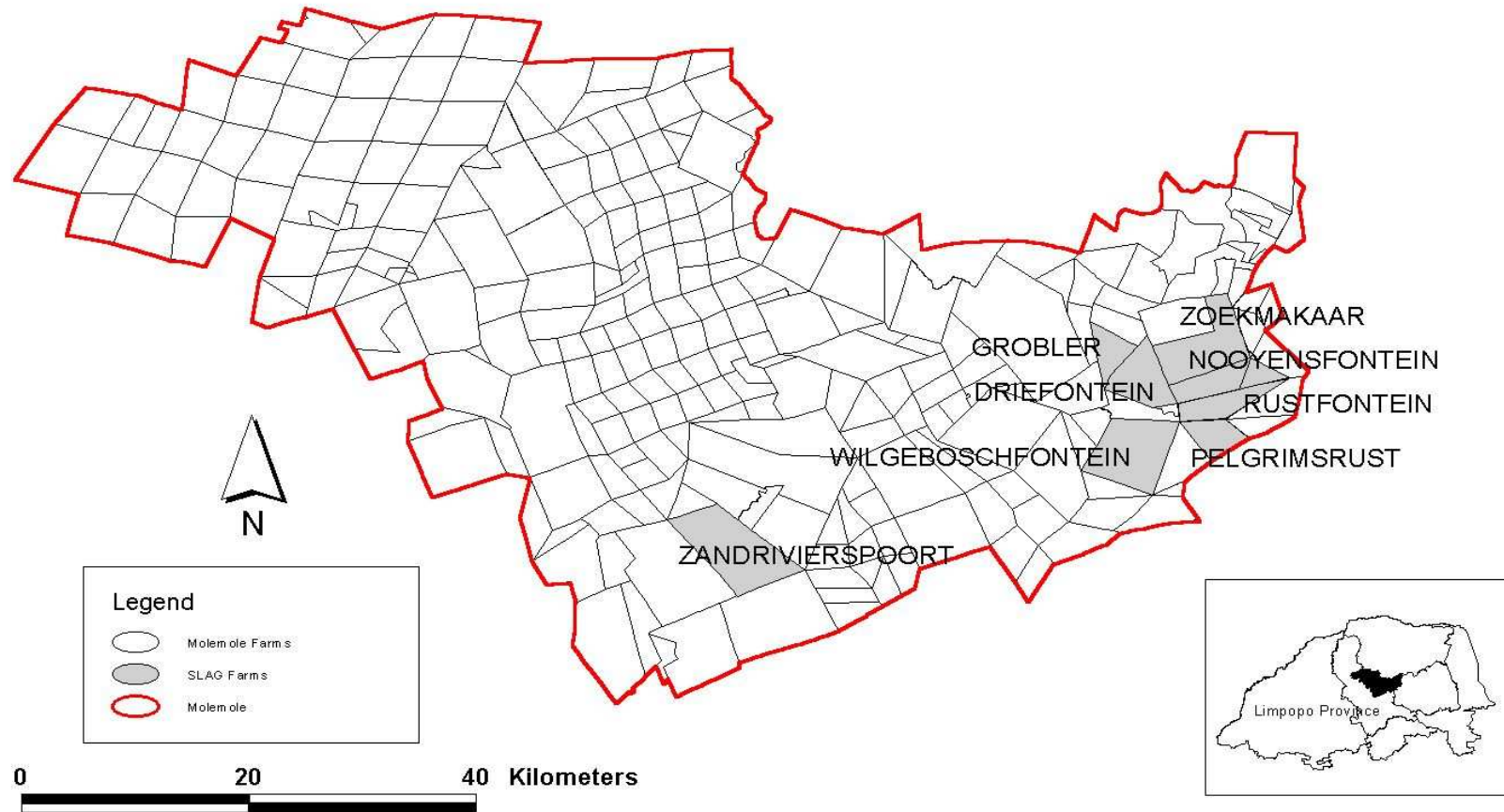


Figure 5: Mole-mole farms involved in SLAG projects

1.1.3. LRAD projects

LRAD projects differ markedly from restitution and SLAG projects, mainly because they focus on agricultural development. Smaller groups of interested beneficiaries acquire through LRAD farms that they have identified for agricultural development. Except for the Geluksfontein case (which is subdivided into several smaller trusts), close corporations (CC) were formed as legal entities to represent each project. Since each project generally involves a small group of people, the organization of these projects is simpler and no separate management committees are formed. Although these projects are young relative to the previous two types, they all have their title deeds. In contrast to the restitution and SLAG projects where no extra investment was needed from the beneficiaries, LRAD grants do not cover the purchase price of the farm and extra capital had to be borrowed.

On average, the LRAD projects involve seven people and cover 173ha. This is approximately 26ha per beneficiary. The price at which the land was acquired in the framework of the LRAD programme is on average R5598 per ha or R56229 per beneficiary. These figures are significantly higher than those for the other two programmes.

While LRAD projects are mainly characterized by small groups, the Geluksfontein farm was acquired by a larger group of people. In this case LRAD grants were aggregated on a SLAG principle, by grouping the number of people whose LRAD grants could cover the farm price (Table 7).

As was the case with the SLAG projects, the LRAD projects mainly involve parts of farms. The 18 LRAD projects selected for investigation cover seven farms (Figure 6). Lack of infrastructure and specific resources (water mainly) is a frequent problem on the LRAD projects.

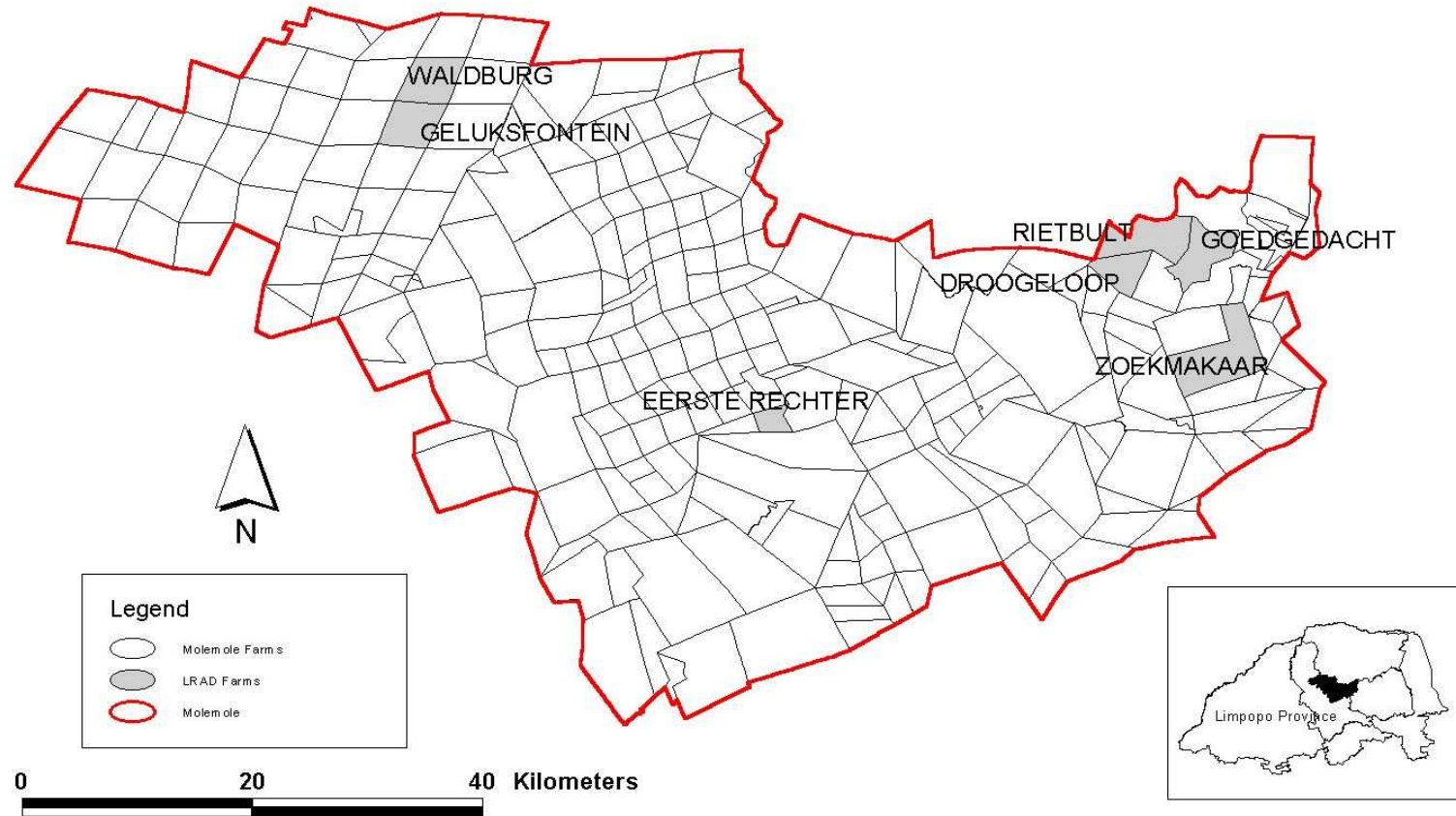


Figure 6: Mole-mole farms involved in LRAD projects

Although these three programmes are structurally very different and vary greatly in their objectives, their results and impact on development and livelihoods are to a certain extent the same: most projects are failures in the context of development. Further analysis will now be undertaken at project and beneficiary level, to understand the impact of these land reform projects.

1.3. Negative trajectories of the land reform projects

The most important observable fact is the overall negative trajectory of all the land reform projects in Mole-mole. This is demonstrated in the gross project income, which reflects the production level of a project. The land reform projects' average gross farm income is R37147 per year (Table 7). Since there are 121 beneficiaries on average per project, this yields a figure of R307 gross income per beneficiary household per year.

Large differences can be seen between the three types of land reform project. The average gross income of the restitution farms is R139600, of the SLAG projects only R30670 and on the LRAD projects R14444. These data are also relatively misleading, since the differences within each land reform programme are huge, as shown by the relatively high standard deviations (Table 7). An analysis according to income group (instead of land reform type group) thus seems more appropriate.

The differences in income structure between types of land reform projects are interesting. None of the restitution projects produces agricultural products. Of the five restitution projects, two are urban claims, one relies on extra-agricultural activities (leasing to other farmers, etc.) and the other two have entirely collapsed. In contrast, the LRAD projects rely only on agricultural production (in accordance with the LRAD programme's objective). The SLAG projects combine both. In all types of land reform, some projects make no income at all (Table 8).

Table 8: Gross project income per type of land reform project			
Land reform type	Agricultural income (Rands)	Other income (Rands)	Total income (Rands)
Restitution			
Average	0	139600	139600
Standard deviation	0	279823	279823
Maximum	0	638000	638000
Minimum	0	0	0
SLAG			
Average	22139	8531	30670
Standard deviation	39435	12272	44548
Maximum	141542	13080	143453
Minimum	0	0	0
LRAD			
Average	14444	0	14444
Standard deviation	50361	0	50361
Maximum	214000	0	214000
Minimum	0	0	0
Total			
Average	15749	21397	37147
Standard deviation	42416	102111	108642
Maximum	214000	638000	638000
Minimum	0	0	0

As noted above, analysis by income group gives a more precise understanding of the situation. According to gross income, we subdivided Mole-mole's land reform projects into three income groups: projects without income, projects with a gross income between R1 and R100000 and projects with a gross income above R100000 (Table 9).

Gross farm income group	R0 (1 st income group)	R1-R100000 (2 nd income group)	100000 < (3 rd income group)
Number of projects			
Total	20 (51.2%)	15 (38.5%)	4 (10.3%)
Restitution	3	1	1
SLAG	2	12	2
LRAD	15	2	1
Agricultural income (Rands)			
Average	0	11018	112236
Standard deviation	0	10907	89752
Maximum	0	26160	214000
Minimum	0	0	0
Other income (Rands)			
Average	0	9763.333	172012
Standard deviation	0	14853.6	311553
Maximum	0	60000	638000
Minimum	0	0	0
Total income (Rands)			
Average	0	20781.33	284249
Standard deviation	0	13102.82	238232
Maximum	0	60000	638000
Minimum	0	5800	141542

Of the 39 projects assessed, 20 (51.2% of the total projects covering 8786 ha) have no income. Specifically, these include two restitution projects, two SLAG projects and 16 LRAD projects. The restitution and SLAG projects and two of the LRAD projects have entirely collapsed, while the other 13 LRAD project never started. Though 12 of these 13 LRAD projects began procedures in 2002 and the land was acquired about a year later, the beneficiaries only occupied the land in early 2005. Organisational problems still impede the projects. The thirteenth LRAD project was acquired by its present owners too recently, so no effective conclusions can be drawn from it (Table 9).

Of the 39 projects assessed, 15 (38.5%, representing an area of 9812 ha) generate an income between R1 and R100 000. These are mainly SLAG projects; only one is a restitution project and two are LRAD projects. The average gross income is R20781, with a maximum of R60 000 and a minimum of R5800. The large majority of these projects (11 of the 15) combine their own agricultural production with other non-agricultural sources of income, in a ratio of approximately 55% to 45% on average. (These non-agricultural concerns are mostly leasing excess land to external people). All of these farms, though they do make a profit, show negative growth, with decreasing production levels. They are struggling to maintain or develop their agricultural production and, except for the LRAD farms, are trying to diversify their income (Table 9).

Of the 39 projects, only four (10.3%, representing 10125ha) have a gross income of more than R100 000; one is a restitution, two are SLAG and one an LRAD project. Though these projects are making profit, R100 000 is still a relatively low income when divided between the average number of beneficiaries (especially for the restitution and SLAG projects). However, these projects do seem to be able to maintain themselves; though all of them, except for the LRAD project, show decreased production since acquisition/settlement, they maintain production. Again, except for the LRAD project, the farms have diversified their production. Here non-agricultural activities include running guest houses, forestry and game farming (Table 9) rather than leasing out excess land.

The most important observation here is the significant decrease of gross income per production unit compared to expected average production as stated in the projects' business plans, which were based on the production of the farms before restitution or redistribution. Gross farm income, and thus production, has collapsed completely for the first income group, diminished ten-fold for the second income group and is only 19.6% of what used to be produced for the third income group (Table 10). In total, land reform has led to an 89.5% decrease in gross income of the restituted or redistributed farms.

Gross income per ha	Gross income group			Gross income reference *
	R0	R1-R100000	R100000 <	
Average (Rands)	0	86	159	810
Standard deviation	0	77	73	2132
Maximum (Rands)	0	165	233	6350
Minimum (Rands)	0	6	89	197

* evaluated according to the production levels the farms reached before redistribution or restitution.

A difference between the trends of the farms' success is also apparent. The first income group shows collapse of farm income directly after acquisition. The second income group shows a strong decrease in the early phase followed by stabilization (although at a very low level) after approximately three years. The third income group shows on average a relatively slighter decrease until the third year, and then an increase (Figure 7).

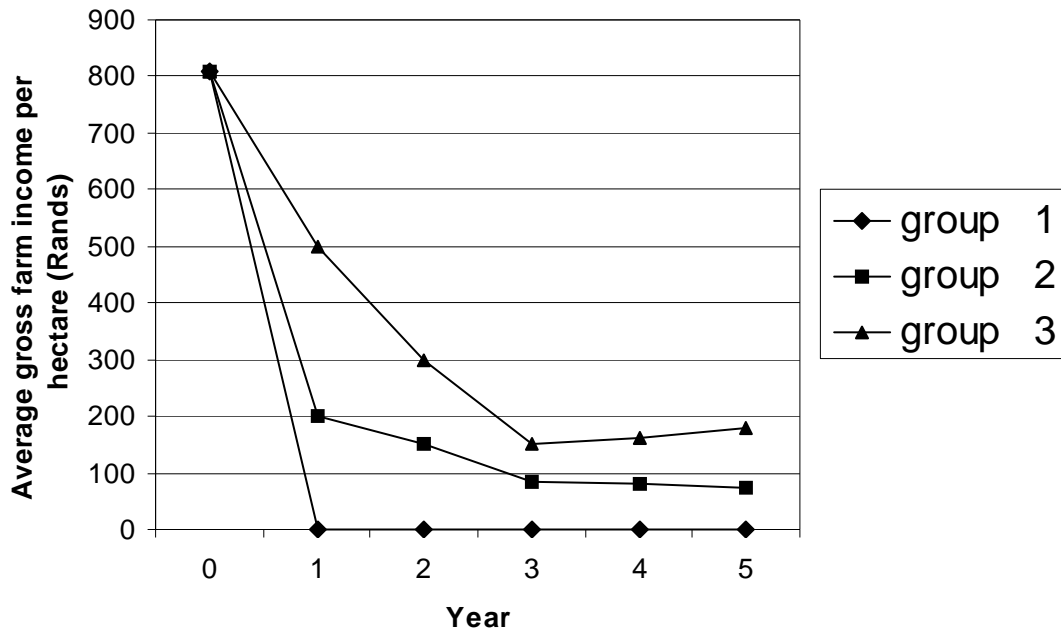


Figure 7: Trend of average gross farm income by income group

Explanations of these different trends in average gross farm income shown by the different income groups are explored in the next chapter.

1.2. Disappointing impact of Mole-mole's land reform for beneficiaries

The generally negative trends shown by the farms logically mean that these projects have very little impact on and for land reform beneficiaries, particularly in light of the objectives and expectations of these land reform projects. Indeed, the results are even more alarming when gross farm income is analysed per household (Table 11). For the second and third income groups, gross income per household only represents 0.2% and 5.2% respectively compared to production before redistribution/restitution.

Gross income per HH	Gross income group			Gross income reference *
	R0	R1-R100000	R100 000 <	
Average (Rands)	0	1359	19682	242600
Standard deviation	0	1881	14551	145783
Maximum (Rands)	0	6500	71333	542000
Minimum (Rands)	0	42	1494	90000

* Evaluated according to the production levels the farms reached before redistribution/restitution.

If the decrease of gross income per household is not a surprise (since several households now occupy a farm that used to maintain only one or at least relatively few households), the extremity of the differences is alarming. Indeed, even the

average gross income of R19682 per year, i.e. R1640 per month, for the upper income group is insufficient for most beneficiaries, considering production and other costs.

The field observations confirm these findings. Firstly, only 45% of the official beneficiaries are currently engaged in the land reform projects and only 3.5% still benefit from the land reform projects (Table 12). In total, only 164 households (instead of 4691) presently benefit effectively from land reform in Mole-mole.

	Official beneficiaries of land reform projects	Beneficiaries effectively engaging in land reform projects	Beneficiaries presently benefiting from land reform projects
Total number	4691	2110	164
Average per project	108	71	5
% of total official beneficiaries	100.0	45.0	3.5

The small number of beneficiaries benefiting from land reform is especially evident in the restitution projects, in which only 0.4% of the official beneficiaries continue to benefit.¹⁴ In the SLAG projects, only 11.2% of beneficiaries are presently benefiting from the projects. This low percentage could be explained by the fact that many people become part of a SLAG project simply to make up the amount of necessary grants to acquire the land. LRAD, according to its objectives, has all its beneficiaries engaged in its projects and 22.5% continued to benefit at the time of the survey (Table 13).

	Official beneficiaries of projects	Beneficiaries effectively engaged in projects	Beneficiaries presently benefiting from projects
Restitution			
Total number	3477	1633	15
Average per project	108	422	3
% of official beneficiaries	100.0	46.9	0.4
SLAG			
Total number	1094	357	122
Average per project	68	24	8
% of official beneficiaries	100.0	32.6	11.2
LRAD			
Total number	120	120	27
Average per project	7	7	2
% of official beneficiaries	100.0	100.0	22.5

Beneficiary participation also varies according to income group. However, even in the highest income group, only 8.6% of the total number of official beneficiaries participate actively in the project (Table 14).

¹⁴ Note that the Marobala-O-Itsose restitution project is as yet not benefiting any beneficiaries, though it is operational and self-maintaining, in other words, a success story (see 1.3.3 of this chapter).

	Official beneficiaries of projects	Beneficiaries effectively engaged in projects	Beneficiaries presently benefiting from projects
1st group: R0			
Total number	2358	2277	32
Average per project	118	114	2
% of official beneficiaries	100.0	96.5	1.3
2nd group: R1-R100 000			
Total number	1752	259	82
Average per project	116.8	18.5	5.9
% of official beneficiaries	100.0	14.7	4.7
3rd group: 100 000 <			
Total number	581	67	50
Average per project	145.3	16	13
% of official beneficiaries	100.0	11.5	8.6

Comment: The high percentage of engaging beneficiaries for the first income group mainly results from the presence in this group of two urban claims (in which the beneficiaries remain all engaged).

In the interviews, the identified land reform farms were estimated to employ 169 farm workers on a full-time basis.¹⁵ This number of land reform beneficiaries corresponds to the number of people previously employed on the farms.

As well as failing to benefit the expected number of people, land reform is also having a much slighter impact on the (relatively few) beneficiaries' lives. There are many reasons for this. Firstly 96.5% of the beneficiaries do not benefit from the land reform projects. Secondly, except for the LRAD projects (which mainly involve people previously or currently employed in salaried positions or as businessmen), a large portion of the beneficiaries still engaged and benefiting from the land reform projects were previously farm workers (the majority of these beneficiaries commented during the interviews that their working conditions have deteriorated). This accounts for 28% of the beneficiaries engaged in the projects (Figure 8). A further 25% or so are pensioners or benefiting from social grants, 4% work, are still working or are businessmen (this is mostly true for LRAD projects). Only 43% of the 164 beneficiaries, those who were previously unemployed, say that land reform has improved their situation (notwithstanding the relatively poor conditions of employment and income on the projects).¹⁶

¹⁵ An estimation of the temporary farm workers was not possible from the interview data.

¹⁶ It must be remembered that about 70% of the farm workers previously employed on the farms lost their jobs on restitution/redistribution. No further information concerning their present position is available (Have they found other jobs? Are they unemployed presently?)

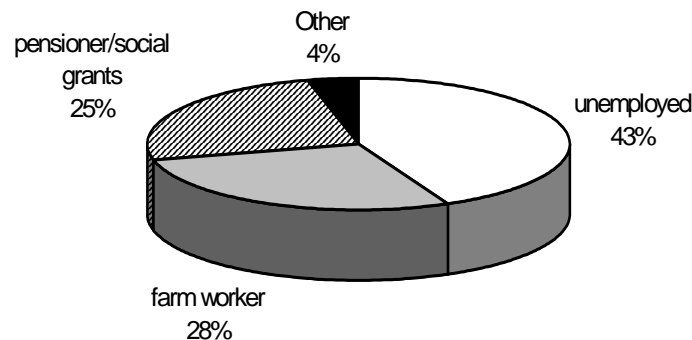


Figure 8: Origin of beneficiaries presently engaged in land reform projects

1.3. Mole-mole's only three 'success stories'

Applying the criteria for development, a successful land reform project would be:

- a project that maintains or enhances its capacities and assets i.e. achieves long-term maintenance and survival (even enhancement);
- with beneficiaries who benefit from stocks and flows of food and income adequate for their basic human needs;
- without undermining other livelihoods, or the potential livelihoods of the coming generations.

According to these criteria, of the 39 land reform projects we assessed, only four projects can sustain their production and gross income at project and beneficiary level. On closer inspection, through visits to the projects and more detailed analysis of their production structures, one of the SLAG farms was found not to produce in a sustainable manner. While generating income only from blue gum tree cutting (mainly to make poles and charcoal), the beneficiaries are not replanting or investing the generated capital into other activities. They have already cut more than 70% of their trees, so this income generating activity will cease shortly.

In the end, only three land reform projects can be called relative success stories. These include one restitution farm, one SLAG farm and one LRAD farm.

1.3.1. The restitution success story

The only restitution project that could maintain itself is managed as a company and has shown continuity in its income structure. No beneficiaries have as yet benefited from the project, but unless major problems occur, the project's future appears promising.

Acquisition of the farm

This considerable area of 7148ha was claimed in 1996 and acquired on the 16th January 2004. It includes parts of five farms. The exact acquisition price was not

known by the interviewees. Though large in size, the land is owned by 427 beneficiary households (a relatively small number compared to the other restitution projects). The beneficiaries were evicted from their land and scattered in the 1940s. Some of them presently come from Mpumalanga.

The acquisition process was driven by two NGOs, namely Nkuzi and the Legal Resource Centre. With their help, a CPA was created and a management committee of ten members was elected for five years. According to the interviewees, no traditional hierarchy structure bound the members, facilitating fair and democratic elections. The CPA's constitution was drafted by the beneficiaries, with the help of Nkuzi.

Past and present activities

After consultation, the beneficiaries decided to keep and to generate income from all existing activities on the farm. The interviewees said they decided this because too many people are involved to make subdividing it a viable option.

In 2006, these activities generated an income of R680000. The activities consist mainly of renting out plots for grazing, farming and housing to two farmers, who were already active on the land. These farmers were given five-year leases for R84000 and R192000 per year respectively. Another 10 residential plots are hired out and managed by an estate agent. All infrastructure is maintained by the occupants.

About 3000ha are available for the beneficiaries' own projects. Last year's profit was invested in a chicken project, currently being developed. 16 beneficiaries are being trained by the Primary Agriculture Education and Training Authority (PAETA), an organisation engaged in capacity building, to manage this project successfully from next year.

Other plans include grazing land for a cattle project, with a 60 cow dairy farm; an eco-tourism project with a game farm, and 130 food plots of 600m² each for any interested land reform beneficiaries. Except from the food plots and perhaps some grazing, all these activities will be project-run. The projects require approximately R1500000, for which a grant, presumably through the Comprehensive Agricultural Support Programme (CASP), has been approved.

Institutional framework and farm organisation

The project is managed as a business. The primary objective is to employ people. Those who want to use the land have to pay for it. However, this created problems, especially with cattle owners or wealthy, established people with 'unreasonable' demands of the project. The interviewees reported that last year an illegal sub-group, some of whose members were not official beneficiaries, was created by the sub-chairman, who misused last year's income. This greatly delayed the development process. This sub-chairman is now facing charges brought against him by the project's lawyer. The latter was appointed by the commissioner during the creation of the CPA, with the help of Nkuzi. The commissioner also intervenes as a mediator.

The institutional set-up is very strict but also transparent. Rules must be followed by the members, the commissioner and external institutions. The beneficiaries say the constitution, which they drafted, reflects their concerns and desires and therefore should be followed.

However, because the project is run as a business, very few beneficiaries have benefited from it in the past 18 months. Even the management committee did not get paid for their work. Most of the people are presently surviving on community aid, pensions, packages and savings. Community dependence is thus very important. The main community lives close to the project (3km away). Some people are getting frustrated.

Institutional integration

From its earliest stages, the project has been institutionally well-integrated. Overseen by the Legal Resource Centre and Nkuzi, the beneficiaries have created a healthy basis for development.

This stable institutional framework has, according to the interviewees, led to additional benefits. Firstly, the Commission has given positive feedback on the project, and involvement of the Department of Agriculture is benefiting the community as well. Secondly, the project has facilitated access to other institutions and support services (e.g. access to development grants, engagement with PAETA), thus leading to capacity building. Through PAETA, beneficiaries are presently developing their capacity and knowledge. 16 people are currently following a broiler course and additional courses such as entrepreneurship and vegetable-growing courses are planned.

Nkuzi still monitors the project, as does an external lawyer.

Problem identification

The main problem affecting this project is low cash flow, combined with the beneficiaries' high expectations. Little access to capital, and consequent slow development of projects could demotivate the beneficiaries. The absence of immediate benefits for those involved has led to frustration and conflict.

Varying interest in and intentions for the land could also accentuate these conflicts. Hopefully firm monitoring of the self-drafted constitutions should help to overcome such issues.

Conclusion

Although the beneficiaries are not benefiting from the project yet, this farm maintains itself. Future opportunities should be created that engage more and more beneficiaries.

1.3.2. The SLAG success story

This project is the only SLAG project that has been able to maintain itself. Having gone through numerous organisational problems, the project has shown continuity of production at project level while supporting a relatively high number of beneficiaries.

Acquisition of the farm

The farm was acquired in May 2001, at the end of a process initiated in 1998 when a consultant, linked to the Department of Land Affairs and the Department of Agriculture, approached the village of Sekgopo.

Certain farmers from Mole-mole wanted to sell their property and had decided to use the SLAG programme to do so. These farmers contacted the relevant Departments, who then needed to identify enough beneficiaries to raise the purchase price with their SLAG grants and group these potential beneficiaries in legal entities. For this particular plot, evaluated at R1.8 million, 122 households, all from Sekgopo, gathered. A consultant was appointed to manage this process.

The consultant found a local person, probably identified through the local Department of Agriculture, to help identify possible beneficiaries. He, with the help of the Department and the consultant, started grouping and organising interested inhabitants. A trust was created, a constitution developed and a management committee was formed. The committee has a two year term.¹⁷

After three years of administrative procedures, the farm was finally transferred without problems. It had been productive and well maintained prior to the transfer. It was acquired by the beneficiaries just before harvest, from which a first income and thus available liquidity could be expected.

Of the 122 beneficiaries, 87 effectively engaged at the farm. According to the interviewees, the 35 others, who are obviously not interested in active engagement, were involved purely for their SLAG grants.

Past and present activities

The 1392ha farm was fully operational and productive at the time of transfer. It had seven functioning boreholes producing enough water and employed 34 farm workers, who were all included in the beneficiary group.

The farm's overall production structure is still the same. The surplus SLAG grants (total R1.93 million, of which only R1.8 million was needed to purchase the farm) was used to acquire implements (two tractors, one bakkie and one trailer). A production loan of R190000 was used to purchase 60 cows and three bulls.

¹⁷ Although supposedly democratic, this election suffered several irregularities, identified during the interviews.

The business plan, based on the previous owner's production, stated that a yearly gross farm revenue of R622000 was expected. With a cost structure of R79 000, a net farm revenue of R543000 was estimated per year. An internal rate of return (IRR) of 22% was estimated.

Although the production structure is still the same, the productivity is slowly decreasing every year. In 2004, the gross farm revenue was R143453, which represents only 25% of the estimated revenue (Table 15).

Product	Quantity	Estimated yearly gross farm revenue (Rands)
Agricultural production		
Avocado	15ha	63870
Orchard guava	-	3340
Guava	3.2ha	29534
Orchard avocado	-	1524
Cattle	60 producing	25600
Non-agricultural activities		
Guest house		4250
Weaving		1650
Nursery		37705
Wattle plantations	5ha	-
Blue gum plantations	52ha	1579
TOTAL		169052

The production costs are also much higher than expected (Table 16).

Cost structure	Production costs (Rands)
Labour	60800
Electricity	30000
Inputs (fertilisers, etc)	60000
Other (petrol, etc)	6000
TOTAL	156800

After the production costs are covered, very little remains to reimburse the borrowed capital. Last year only R15000 of the R54000 was repaid.

Institutional framework and farm organisation

The ten member management committee encountered severe problems, and management difficulties, organisational problems and irregularities which obliged the management committee to be dismissed. Among the problems was misuse of revenue (in particular from the first harvest) and abuse of the farm's assets (infrastructure, resources) for personal benefit (through internal and external individuals). These fraudulent activities cost the farm most of its capital and caused its infrastructure to deteriorate. This caused serious conflict among the beneficiaries.

According to the project's constitution, all beneficiaries working on the farm are paid R300/month (representing an aggregate monthly cost of approximately R25000). These participants have the status of farm workers (though they participate in all decision making). Together with misuse of the farm's income, this high wage cost has quickly drained the project's liquid assets, such that the project can no longer pay the people. The result has been that most of the beneficiaries living on the farm left with the first management committee. The 28 households that remain say these people are now disinterested in working, owning and living on the farm.

A new committee has been elected by the 28 remaining households. To avoid previous problems, more transparent and equitable structures were implemented. Book-keeping and presentation of results are compulsory. Decisions are presently made through a vote by all those remaining on the farm. According to some of the interviewees, this process delays effective and efficient decision-making.

Though the most important organisational problems seem to have been solved, their effects still cause conflict. Some interviewees blame the constitution, in which the title deed is under the name of all beneficiaries, including those who do not engage actively in the project. These beneficiaries, according to the interviewees, regularly create conflict (especially during or after harvest time), and also cause problems when legal/judicial issues arise. For example, accessing a loan can become a problem when the names on the title deed do not correspond with those of the loan seekers. No process is in place to amend the constitution, which the interviewees say was imposed on them in the first place.

An external monitoring structure was supposed to be implemented, but has never materialised. The previous owner has taken the role of external mediator.

The initial group of 87 beneficiaries was composed of former farm workers, pensioners and unemployed people from Sekgopo. According to the interviewees, most of these people were without plans for the future, especially the pensioners and those who had been unemployed for a long time.

Institutional integration

The interviewees explained that the farm maintains a relatively large number of institutional contacts, which they say are necessary to compensate for a lack of government support. The interviewees say that all levels of government, in their experience, do not seem able to deliver the support and services they need, and in fact only impede the development of the project.

The farm works with several private institutions, including import/export consultants (ECI Africa), transporters (e.g. Moketsi Transporters) and retail markets. The project also maintains a good relationship with private veterinary services. All these institutional linkages were developed by the previous owner of the land.

In addition, the farm is a member of several local associations, such as the Soekmekaar Farmers' Association, which was developed in cooperation with the relevant departments to help with internal problems (e.g. conflicts) and external

representation (e.g. liaising with government institutions). However, the interviewees say this Association is not always very effective or representative; sometimes it is even a source of problems itself. The farm is also a member of a local farmers association (comprised of five local farms) who share implements and labour. The project is presently working closely with the previous owner, who besides being an external mediator also acts as a technical advisor.

Problem identification

Three institutional problems were identified during the interviews.

The first problem concerns the power structures present within the group since the early development of the trust. The structural organisation of the trust, developed by previously and currently appointed hierarchies, controls the entire functioning of the trust. In its current form, this structure has no means to combat corruption, mismanagement and misuse. No external conflict resolution system is in place and an external mediator has only recently been appointed.

A second problem concerns the project's isolation. As was the case with the first successful project discussed, this project needs more institutional contacts. The relevant government-run structures lack capacity and resources (whether knowledge, manpower or will) and suffer from over-complex bureaucratic processes. Wider external collaboration would also, according to the interviewees, lead to better control and monitoring of the project.

The last problem is linked to the two previous ones, and concerns the lack of an adapted internal organisational and institutional framework, which results from the structure of the project's constitution and title deed. The current structure includes non-active beneficiaries and leads to ineffective collective action, decision-making, interaction with institutions and access to services and support.

Conclusion

This project, which began with settlement of a fully productive farm, almost failed through mismanagement and misuse of resources. Only a strong trust structure and external monitoring prevented the project from entirely collapsing.

The projected future for this farm thus remains positive, as it should provide an income for a relatively large number of beneficiaries with the status of salaried employees. However, so far this instance of land reform has not had an overall positive impact, since the farm now benefits fewer people than before the transfer. This is all the more important since the production of the farm is decreasing.

1.3.3. The LRAD success story

This project is the only one which sustainably maintains and even increases its production. It provides income to owners and farm workers; however, because it is a LRAD project it only has three beneficiaries with their respective employees.

Acquisition of the farm

This LRAD project concerns a farm of 916ha. The farm, transferred for R760000, was acquired on the 1st May 2002 by three brothers from Thohoyandou. To a LRAD grant of R260000 they added a Land Bank loan of R500000. The three brothers are relatively well-established financially (one was an independent businessman, one a medical doctor and one a surveyor), which made them able to access this loan.

The businessman-brother worked for the government for more than 20 years and then invested in successful independent activities, in particular a garage. He also bought a plot of 7ha near Thohoyandou. He and his two brothers later decided to buy a private farm on which they would develop commercial farming activities. After they identified a suitable farm, they registered a close corporation (CC) as a legal entity grouping the three of them, so that they qualified for LRAD grants. The title deed is in the name of the CC.

Past and present activities

The farm had been neglected for several years, probably since 2000. Though the infrastructure and production structures were in a dilapidated condition, most of them were still present. The farm price included previous improvements and major implements. The farm has plenty of water: several boreholes yield enough water even for irrigation.

The farm used to export granadillas (1ha, under irrigation), had 1200 fully producing avocado trees and 43 heads of cattle. It was a self-maintaining commercial farm.

Since acquiring the farm, the three brothers have worked to revitalise it, mainly using their own funds. Relying on their income and salaries in other sectors, they inject large amounts of capital into the farm, between R5000 and R15000 (R5000 each) per month, they say. At the time of the interview, an application for a CASP grant of R300000 was being processed by the Department of Agriculture.

After three years of operation, the farm began to be productive and profitable. All existing production structures, namely granadillas (for which they took over the export permit), avocados and cattle husbandry have been reactivated. In addition, the brothers have started an irrigation scheme for 5ha of cabbage and are building a pig farm and putting up a 13km game fence. Most of these investments came from their own capital, except a R100000 production loan used to purchase additional cattle (the farm now has 123 cows and 80 calves).

The gross revenue of the farm is estimated at R214000 per year (Table 17).

Table 17: Estimation of the farm's gross income		
Product	Quantity	Estimation gross farm revenue (Rands)
Avocado	1200 trees	9000
Granadilla	1ha	70000
Cattle	123 producing	120000
Cabbage	5ha	15000
pigs	-	-
TOTAL		214000

Table 18 presents an estimation of the farm's production costs.

Table 18: Estimated production costs	
Cost structure	Estimated production costs (Rands)
Hired labour	65000
Electricity	54000
Inputs (fertilisers, etc)	18000
Other (petrol, etc)	10000
TOTAL	147000

Taking into account the annual repayments of R60000, the farm presently has a net revenue of R7000. As it is thus not yet profitable, external sources of income are necessary.

Institutional framework and farm organisation

The farm is a CC owned by the three brothers. Though only one of them manages the farm full-time, they all make decisions together.

At this stage, the farm manager does not earn a salary for his work on the farm. However, it has been decided that in future he will receive a larger portion of the benefits. His full-time presence on the farm does not compromise his permanent income, since his petrol station is operated by a manager.

The farm has six permanent labourers and eight temporary ones, all of whom were farm workers before, some employed by the previous owner of the farm. None of these workers live on the farm any longer. They come in every day from the three townships located between 3 and 7km from the farm. The workers are picked up and dropped off every workday. The owners say they avoid having people on the farm for privacy reasons, and out of respect for their workers' private lives.

Though the owners do not feel threatened by the local community, they say that too much contact could lead to impositions by the community. Good relationships are nevertheless essential; the owners maintain relationships with the traditional authorities and sponsor local activities and events (e.g. local football club).

Institutional integration

The farm manager works closely with the Department of Agriculture, the representatives of which he meets at least once a month (especially to vaccinate

cattle). The owners are in contact with the Land Bank, to which they still owe money. Beyond this, they have no further interaction with the public sector. The manager said that though the Department of Agriculture has relatively good information about livestock, in general they lack knowledge and capacity to support farmers.

The three brothers rely on various other associations and institutions for their information. They are members of the Avocado's Growers Association (on which they depend for information concerning the import/export of their avocados) and of the national cattle association for emerging farmers (from which they get necessary technical information). They source many agricultural inputs from NTK-co-operative, though they are not members, and are in regular contact with a veterinary from Louis Trichard. They also maintain close relationships with the surrounding white farmers (though not with the previous owner, who has left the region). The brothers say they find their relationships with the white farmers a useful way to access technical information.

As a small private enterprise this project has no problems with institutional access. Instead, they say they need more assistance, especially in marketing and training. As emerging farmers, they feel isolated. They do not produce enough to access markets individually, and struggle to obtain the necessary information for running a commercial farm.

Problem identification

The farm manager argues that farming is difficult. He says farming is a lifestyle, rather than just a job. To succeed, one has to recognise the farm as his/her place of work and life. According to him, not everybody is interested in farming or wants to live on a farm. Motivation and interest, he says, are the main ingredients for success and are often lacking with land reform beneficiaries, who – according to him - only take advantage of an opportunity and get free access to land.

The main problems faced by this project concern the accessibility of both information and skills. The owners say the Department of Agriculture lacks resources, especially to help farmers like themselves, who operate between subsistence and commercial farming. They say much of the available information is not adapted to their activities, leaving them feeling isolated.

They suggest the creation of similar projects near to them would be helpful. Co-operation, according to the farmers, will only function effectively between the same type of farms with the same interests.

Conclusion

With the help of substantial external financial means (from other sectors), this land reform project has managed to develop the farm incrementally. These external sources of income are necessary to maintain the farm and to manage it commercially.

Although the project is confronted to isolation and a lack of skills and information, the farm's trajectory remains positive, and provides an income for a few employees.

However, considered as land reform, this project has not had a positive impact on the beneficiaries and employees. Before acquiring the land the beneficiaries were full-time entrepreneurs or had fixed salaries; their situation has not changed, rather their activities have just diversified. The farm workers were previously irregular salaried labourers and still are.

2. Reasons for failures to link land reform to development

The results of our study are dramatic: only three out of 39 projects are considered to be successful. Production on land reform projects has decreased on average by 89.5%, and only 164 beneficiaries are presently profiting from the redistributed/restituted farms. These results are particularly alarming since approximately twice the number of farms will be restituted shortly and others are to be redistributed in the coming years.

The negative spiral into which most of the Mole-mole land reform projects seem to be trapped must be broken. Solutions need to be found to revive these projects and to avoid similar failures in future redistributions/restitutions of farms.

Breaking this negative trend must begin with understanding the reasons why land reform seems not to lead to development. This section of the report describes in detail the reasons identified in our case studies for the failure of the land reform projects in Mole-mole. Four main clusters of reasons can be identified: (1) factors that make land reform projects unfeasible, (2) inappropriate institutional structures, (3) isolation and lack of collective action, and (4) administrative problems.

2.1. Factors that make land reform projects unfeasible

These factors can be divided into three major subgroups: (1) economic difficulties to develop viable agricultural activities, (2) inherent economic unfeasibility and (3) acquisition of unsuitable land.

2.1.1. Economic difficulties to develop viable agricultural activities

Within the present economic conditions, is land reform possible in South Africa? This question can be approached first in the framework of LRAD.

As detailed in the previous section, we know that the price for a ha of land in Mole-mole is on average R3400. With the average LRAD grants contracted, this R3400 is reduced to R2445 per ha (Figure 9). Average gross farm income per ha is R810. Considering that production costs represent about 65% of gross farm income in arid environments (Swart, 1999), the disposable farm income per ha is expected to be R283. For long-term loans (20 years) at an interest rate of 10%, which are the conditions most LRAD beneficiaries get from the Land Bank (Land Bank, 2002), annual reimbursements can be expected of R399 and R287 respectively for the lands purchased without or with LRAD grants. In both cases, net farm income will be negative.

	Without grants		LRAD grants
Price of land per ha (Rands)	3400		2445
Gross farm income (Rands)		810	
Production costs (%)		65	
Disposable farm income (Rands)		283	
Annual reimbursement (Rands)	399		287
Net farm income (Rands)	-116		-4

Figure 9: Evaluation of the net farm income in Mole-mole

This implies that under actual economic conditions (land prices, farm profits, bank conditions), living on the land is not economically feasible for most beneficiaries. The situation in actuality is often worse, for example situations wherein beneficiaries take out additional loans (e.g. for infrastructural development), which then have to be repaid.

This is the situation with the LRAD projects. In the restitution and SLAG cases, under normal conditions, land is acquired without capital input by beneficiaries. Only one SLAG project in our sample had to take a loan to buy land since it was unable to gather the necessary number of beneficiaries in time. Therefore, in theory, restitution and SLAG projects should be more economically viable.

However, in actual practice the restitution and SLAG programmes only deal with the transfer of land. Any development of this land (production or infrastructure) after transfer requires access to additional capital. In contrast to the findings of many studies dealing with communal property and access to capital (e.g. Anim & Van Schalkwyk, 1996; Graham & Darroch, 2001), we found that many of these projects can access capital, through two major channels, loans and SLAG grants. Of the 39 projects investigated, 28 had access to capital (Table 19). We found that capital access issues only concern restitution projects, mainly caused through institutional incoherencies (cf hereafter). Therefore, the question now becomes one of actual feasibility: can a farm that supported one or perhaps a few farming households now support 199 households, the average for a restitution or SLAG project?

	Restitution	SLAG	LRAD	Total
Total number of projects	5	16	18	39
Projects accessing loans	0	6	8	14
Average amount of loans (Rands)	-	99 300	448 500	273 900
Projects with surplus capital from grant	0	15	1	16
Average surplus capital (Rands)	-	201 500	678 000	-

2.1.2. Inherent economic unfeasibility

Taking into consideration the carrying capacity of the area (5ha/LSU), it becomes clear, as shown in Table 20, that few projects are feasible considering the number of households they are intended to support. This is even the case for some of the LRAD projects, only three of which have an area per household above 100ha.

	Restitution	SLAG	LRAD	Total
Average surface per household (ha)	6.2	8.5	49.4	27.1
Standard deviation	6.3	6.7	90.9	64.9
Maximum (ha)	16.7	21.9	305	30.5
Minimum (ha)	3.7	2.6	1.5	1.5

With a gross farm income of R810 per ha, and factoring in the number of ha redistributed/restituted and the number of beneficiary households, a disposable income of R2992 per year per household is achievable (if labour costs are not considered, which are estimated at 20% of gross farm income; Swart, 1999). If the beneficiaries are remunerated, which is the case in the majority of the projects (on average R300 per month), the net project income will be negative (even before repayment of the annuities). Economic unfeasibility is thus a general factor.

However, the objectives of the restitution and SLAG programmes are not to create viable commercial farms, but to make a small subsistence farming sector supporting the rural poor possible (Department of Land Affairs, 1997). Yet not even subsistence has been achieved. Due to the underlying principles of the programmes, most land reform projects are relatively isolated: on average 29km separates the land reform project from the beneficiaries' places of origin. This considerably increases production costs and makes it impossible for the majority of the people, particularly the poor, to benefit from these lands (Table 21).

Distance from land reform project to beneficiaries' community	Restitution	SLAG	LRAD	Total
Average (km)	48	27	24	29
Standard deviation	31	13	39	29
Maximum (km)	100	45	100	100
Minimum (km)	10	10	5	5

LRAD projects are less affected by these problems, since firstly, the objective of these projects is commercial production and secondly, they are based on the willing buyer-willing seller principle, where beneficiaries identify land for potential purchase. This is not the case of restitution or, in the Mole-mole municipality, of SLAG projects, which are more seller-driven.

2.1.3. Acquisition of unsuitable land

The survey has also shown that the land acquired for the projects is not always suitable for development, particularly agricultural development.

Though this is not often the case with restituted land (on which the communities lived before being evicted and which therefore often includes several farms), it is often true of redistributed land. Some researchers and NGOs claim that only less productive land is transferred through land reform programmes (NLC, 2001). The present survey confirms this suggestion, and shows that it is often due to the subdivision of projects. Usually farms are subdivided into different projects to prevent certain groups of beneficiaries' acquiring total control of particular projects.¹⁸ The result is that several projects are located on parts of farms, often without basic infrastructure such as access to resources (e.g. water) or roads. Of the 39 projects, 27 are located on part of a farm, 19 lacked basic infrastructure (housing, electricity lines, roads, etc.) and 16 had problems with water (Table 22).

	Restitution	SLAG	LRAD	Total
Number of projects	5	16	18	39
Land is part of subdivided farm	0	11	16	27
Land without basic infrastructure	0	5	14	19
Land with acute water problems	0	4	12	16

The difficulty of the working and living conditions on the farms is confirmed by the small proportion of beneficiaries willing to actually live on the farms. Only 51 of the 164 beneficiaries currently involved with the farms said they would be willing to live on the farms (Table 23). Most said that life on the farm is too isolated or difficult. Except for the beneficiaries of the three bigger LRAD projects,¹⁹ all stressed that they need to be close to their communities, their social and cultural environments and their family life.²⁰ Most also noted that life on the farm would not be possible without links with their communities.

	Restitution	SLAG	LRAD	Total
Number of beneficiaries involved in the farms	15	122	27	164
Beneficiaries involved in the farms willing to live there	6	34	11	51
% of beneficiaries involved in the farms willing to live there	40.0	27.8	40.7	31.1

These results are confirmed by an additional survey carried out in the neighbouring communities of Sekgopo and Makgato (Perret, Anseeuw & Mathebula, 2005). This survey showed that less than 0.5% of the more than 300 respondents said they were willing to live on a land reform farm. These observations corroborate Anseeuw's (2004) findings.

¹⁸ The survey also suggested that this process of subdividing is also sometimes initiated by the previous owner, who is then able to sell different parts separately, and probably increase the overall price.

¹⁹ These three represent a more affluent social group, who do not need community aid for their livelihoods.

²⁰ Most stressed that all the structures they need are located in their community of origin. Important structures include schools, clinics, social and cultural groups and community aid.

2.2. Inappropriate institutional structures at project level

In many of the assessed projects, interviewees were concerned by the inappropriate institutional structures at project level (this was not seen as a problem in the three LRAD projects with fewer beneficiaries, organized in CCs).

Although somewhat intertwined, three institutional problems operating at different levels can be distinguished. These are misuse of power structures, inappropriate legal structures and lack of disciplinary and monitoring structures.

2.2.1. Mismanagement and misuse of power structures

These problems can usually be traced back to pre-settlement organizational procedures. These procedures are often initiated externally, especially in SLAG projects, by or through the Departments of Agriculture or Land Affairs or an appointed consultant. In addition, the procedures are often based on existing power structures within the community (which can be linked to traditional hierarchical structures). The initiating people or bodies organize the potential beneficiaries into CPAs or trusts, usually following existing power structures. Besides promoting what Botha (2001) calls opportunistic behaviour, this also results in apathy among a large portion of the beneficiaries; nevertheless, they join the group to support the structure to which they belong.

The management committee, which is generally elected, represents and is mainly built up around the community's power structure. Symptoms of this are evident in the adoption of a constitution that is pre-drafted and only amended, if at all, by those with power in this particular structure.

These inherited structures can create a hierarchical system in which the leaders control process, functioning and structure. This opens opportunities for illegal practices and misuse of assets by those in power, on behalf of a minority of beneficiaries. This was most often seen on SLAG farms, but also occurred on one restitution farm (Table 24).

	Restitution	SLAG	LRAD	Total
Number of assessed farms	5	16	18	39
Number of farms affected by illegal practices and misuse of assets	1	10	0	11

Most of these farms (except one) belong to the first and second income groups and suffered a quick collapse of production and gross income (Table 8). The LRAD projects mostly escaped these problems because they are characterized by more transparent procedures and are individually managed.

2.2.2. Inappropriate institutional and legal structures

Land reform projects are often characterized by inappropriate institutional and legal arrangements. During the implementation process, two major types of constitutions tend to be adopted, representing either the entire group/trust (with the title deed in the names of all the beneficiaries) or the management committee (with the title deed in the names of the management committee members). Both have led to problems.

Inherited power structures, discussed above, and money-raising tactics that end up grouping disinterested people as beneficiaries can both cause the legal entity formed to represent the project to differ vastly from the actual body of active beneficiaries and from the elected management committee members. The problems this creates are worsened by decreasing production and revenue possibilities, which cause beneficiaries to leave the projects. In the end only a very small number of beneficiaries live on the farm; or the beneficiaries officially involved in the project are not actually active in it or part of the management committee; or the management committee is changed without the legal representation of the project's being adapted. This results in the legal representation of the project no longer matching the profile of beneficiaries effectively dealing with the project.

An early consequence of such discrepancies is disruption of access to services, particularly financial services. Since the names on the title deed often do not correspond with those applying for credit, for example, access is refused. A second major problem is decision-making, with decisions either made by people no longer active in the project, which can lead to mismanagement and unfairness, or not made at all, since the legally empowered people are absent or insufficient in number.

The representatives of about 22 of the 39 projects said that their constitutions and legal structures are unsatisfactory and that they want to amend them (Table 25). Nevertheless, of these 22, only three said this would be possible. The others claimed that opposition, mainly arising because of previous power structures, would make amendments impossible. The six LRAD farms claiming to be limited by their constitution are projects acquired from a subdivided farm under the legal status of a trust.

	Restitution	SLAG	LRAD	Total
Number of assessed farms	5	16	18	39
Number of projects limited by constitution or legal structure	3	13	6	22

Again, the majority of the projects affected come from the first and second income groups. Two projects from the third income group, both SLAG projects, have similar problems (Table 26).

	Gross income group		
	R0	R1-R100000	> R100000
Number of assessed farms	20	15	4
Number of farms limited by constitution or legal structure	10	10	2

2.2.3. Lack of conflict-resolution systems and mediation

The problems with power and legal issues described above lead to important internal and internal-external conflicts. These conflicts have various effects on the functioning of the projects:

- In four cases, the project collapsed entirely, the farms were vandalized and all assets stolen.
- In most cases, planned tasks were obstructed, reduced their sense of responsibility and demotivated beneficiaries.
- In a few cases, obstruction and vandalism were committed by a few individuals who either were excluded at the beginning of the project or left during difficult periods.

Very little attention has been given to conflict resolution systems. Only two farms have conflict resolutions systems in place, one a SLAG farm which uses an external mediator (the former owner), and the other a restitution farm which uses an externally appointed lawyer. The Soekmekaar Farmers Association was recently created by the Department of Agriculture to tackle this issue, by grouping approximately 15 of the land reform projects. The legitimacy of this effort is somewhat questionable, since the Department of Agriculture initiated the legal structures which subsequently led to some of the conflicts.

2.3. Lack of collective action and institutional isolation

From the survey results, the isolation of the projects is evident. Of the 39 projects assessed, four have no contact with any institution (Table 27), namely one restitution project and three SLAG projects (Table 28). None of these projects generates income.

	Assessed farms without access to			
	Public institution	Private institution	Associative institutions	Any institution
Number of farms (n=39)	4	27	21	4

It should be noted that, of the 39 projects, only 12 have any dealings with private institutions. Nearly all the LRAD projects (16 of 18), 60% of the restitution projects and 50% of the SLAG projects are without such contact. Again, the large majority of these projects generate no income (eight come from the second income group; Table 28). Significantly, the majority of these projects are based on subdivided farms (though not the restitution projects).

Table 28: Mole-mole's land reform farms' access to institutions by type

	Assessed farms without access to			
	Public institution	Private institution	Associative institutions	Any institution
Restitution (n=5)	1	3	2	1
SLAG (n=16)	3	8	4	3
LRAD (n=18)	0	16	15	0

Only 21 projects are part of associative institutions (professional associations, local associations, etc.). Again, most of the LRAD projects are not part of such associations while, in contrast, most SLAG projects are. This is possibly due to the proximity of the SLAG projects to Soekmeaar, since they all began in a grouped sale of farms. These projects have strong relationships with each other, since in addition to their geographical proximity they all have beneficiaries who come from Sekgopo. These beneficiaries have formed two associations, namely

- the Soekmeaar Farmers Association, consisting of about 15 projects gathered by the Department of Agriculture, which deals mainly with conflict resolution and access to public or private institutions; and
- a Local Farmers Association consisting of five SLAG projects that share implements and labour.

Table 29: Mole-mole's land reform farms' access to institutions by group

	Assessed farms without access to			
	Public institution	Private institution	Associative institutions	Any institution
1 st income group (R0) (n=20)	3	19	17	3
2 nd income group (R1-R100000) (n=15)	1	8	4	1
3 rd income group (R100000 <) (n=4)	0	0	0	0

Significantly, all the third income group projects are members of the three identified institutional groupings. A positive correlation between farm income/production and institutional links is thus evident. Although most of the assessed projects are in contact, very little effort is made either by the projects themselves or by the coordinating institutions (e.g. the Department of Agriculture) to promote collective action. Some interviewees say power structures at intra- and inter-community levels could be the reason for this. Any collective action and support thus arises not from the organization of farms but from communities. The community is still an important security network for a project, at both beneficiary and project levels.

Lastly, very little collective action is evident between former owners or surrounding farmers and beneficiaries. Such collaboration was seen in only two projects.

2.4. Administrative problems

The activities of the local departments are not always appreciated by the beneficiaries. Three main reasons for this are administrative complexity, the limited capacity mainly of local departments and the opacity of official processes.

Firstly, the relevant administrative procedures are long, difficult and often costly for the beneficiaries. The extended period between lodging a demand for land and actual

acquisition by the beneficiaries (some of whom still do not have their title deeds) is a good example (Table 30) (though many other problems can also delay the process).

Table 30: Average period between claim and acquisition for Mole-mole's land reform projects by type

	Restitution	SLAG	LRAD	Average
Period between claim and transfer (years)	7.8	2.9	2.3	3.5

This not only makes the government a second-choice negotiator, as Aliber and Mokoena (2000) indicate, but also contributes to demoralisation of potential beneficiaries and deterioration of production structures (lack of maintenance of implements, land and perennial crops).

In addition to the complexity of administrative procedures, personnel problems also impact on the projects. Issues include lack of staff, high staff turn-over and lack of appropriate knowledge and skills among staff. Although Hedden-Dunkhorst and Mollel (1999) show that the number of officers in the field did not decrease, the number and the diversity of people and tasks that these officers have to support have increased. Interviewees complained about new agents who come in with no knowledge or experience of the various processes. Many beneficiaries also said the support officers also lack practical experience in the field and relevant knowledge (the one exception is knowledge concerning animal husbandry).

Lastly, the activities of the local administration are not transparent. Several activities are implemented without consultation with the beneficiaries. The local personnel's engagement in certain duties and activities is questionable, since they often implement and then monitor the very same activities, projects or programmes. Since they are involved in the land reform projects from their inception, these personnel can easily become part of the implemented power structures and benefit directly from their position. External monitoring is almost totally lacking.

IV. Linking land reform to development: conclusions and recommendations

The results are clear: of the 39 land reform projects assessed, only three are sustainable, as they maintain (or increase) their production and generate income for a certain number of beneficiaries. The large majority of the land reform beneficiaries, i.e. 4527 out of 4691 households (96.5%), do not benefit at all from the land reform projects. Furthermore, production has dropped by an average of 89.5% on the land reform farms and jobs have been lost.

Nevertheless, due to the historical bias and socio-political importance of land distribution in South Africa, land reform must and will continue. In Mole-mole, for example, another 24 farms will be restituted over the coming years and other redistribution projects will likely be implemented.

Ways of overcoming the failure of land reform projects must urgently be identified. Some recommendations, which should lead to discussion and further reflection, can be made based on our description of Mole-mole's land reform projects and analysis of the main reasons for their failure. Accordingly, the first section discusses the necessity of a structural renewed dual land reform combining farming on communally and privately owned land. The second part deals with necessary changes to institutional structures. The third part discusses possible ways to enhance collective action and avoid isolation. The fourth part explains some governance issues, including control and monitoring systems. This will, finally, bring us to the conclusion of this report.

1. The need for a structural renewed dual land reform

The results of the present survey show that 20 projects are degenerating rather than developing and are making no income at all. Furthermore, many beneficiaries say they will not live on the farms, since the community gives them a supportive socio-cultural and financial framework. The result is that farms are being left empty; five of those we investigated have already been abandoned and destroyed. This is particularly prevalent in SLAG projects, but applies to restitution projects as well.

One possible solution to this trend is revising the structure of land reform in two complementary ways, in order to obtain a structurally renewed dual land reform combining the transfer of private and communal land. Firstly, rather than transferring land which is on average 29km (up to 100km) away from the beneficiaries' original communities, land next to the communities should be transferred. This reduces the chance of land remaining empty for years. Secondly, to complement the LRAD programme, a second land programme focusing on communal farming (like the restitution and SLAG programmes) on land next to the communities should be implemented.

Though this approach would not make individual projects any more inherently economically feasible, it would have several advantages. Firstly, it would make the land accessible by the majority of the beneficiaries, not only those who can afford

transport costs, and so promote use of the land. This would increase the impact, at least in terms of number of beneficiaries, of land reform projects. Secondly, the beneficiaries would not be separated from their socio-cultural contexts and would continue to benefit from their community life and self-help systems. Thirdly, such an approach would largely avoid the problems with basic infrastructure listed above.

A potential problem of this approach is that it could create clusters of land around current settlements, and so perpetuate the biased geographical structures of the previous regime. To avoid this, the LRAD programme should be continued,²¹ since as a more commercially oriented programme LRAD focuses on target groups which are generally more mobile. This is also not without problems, however, since the results show that LRAD project are often also not feasible, due to economic issues such as the high price of land and high interest rates.

Two policy measures are thus recommended, to renew the structure of land reform and help create a favourable environment for development. Firstly, for communal projects, instruments enabling territorial and geographical regulation are needed to facilitate the acquisition of land surrounding beneficiaries' communities of origin. Such regulatory measures could focus on the initiating of land transactions (controlling financial issues), on land use (preventing the under-using of land) or on taxation of pluri-property owners. Secondly, for projects on privately owned land, mechanisms for improving the feasibility of commercial projects, such as land price controlling or interest lowering schemes, are necessary.

2. Adapting institutional structures to avoid biased power relations and improve access to services

As discussed above, inappropriate institutional structures can result when leadership is externally imposed, projects are structured according to inherited power structures and legal structures such as constitutions are not properly negotiated with all beneficiaries. These inappropriate structures can lead to mismanagement and misuse of resources and to discrepancies between the actual project and the legal entity that represents it. All these problems are accentuated by a lack of conflict resolution systems.

Effective development requires a more transparent process of institution building. Firstly, leadership should not be appointed externally (especially not by a structure responsible for the monitoring of the process and development of the project). Leaders should be chosen through negotiations and compromises in an externally monitored process. Furthermore, through the same process, a managing committee and constitution should be constituted. These initial negotiations and compromises should give the project a more representative structure, quantitatively and qualitatively, leading subsequently to more sustainable development.

In this process, conflict resolution systems should be developed. Such systems should include people, structures and/or institutions entirely external to the development process of the project. This conflict resolution system should be active throughout the project's life cycle.

²¹ Projects where LRAD grants are used to substitute SLAGs should in this case be avoided.

The structural renewal proposed for the land reform framework must follow and create a transparent process. In the envisioned land reform structure, community engagement is maintained, and can contribute to conflict resolution. Traditional power structures remain a powerful instrument for community control and conflict resolution. Also, since the redistributed land will be situated close to the communities, any person from the community will be able to form part of the management committee, rather than only those people with means, who automatically are those who traditionally have more power.

3. Enhancing collective action

The survey also noted distressing isolation of projects and lack of collective action. This contributes to poor cooperation between projects (e.g. sharing implements), lack of empowerment (e.g. access to marketing channels) and limited political action (e.g. obtaining government support).

The main reasons for this lack of collective action are - aside from the absence of support systems - geographical isolation and diverse community attachments. The only two associations in the Mole-mole municipality exist among projects in close proximity.

Gatherings should be organized by external support services/institutions to enhance interaction. This interaction could foster common interests and objectives, and lead to collective action (in a more or less structured form). To complement these efforts, the proposed restructuring of land reform will result in projects clustered around communities, which will enhance collective action. This structure will particularly help the poorest communities and households, who are hardest hit by institutional isolation.

Collaboration with previous owners should also be promoted, possibly as part of a contractual agreement during the transfer phase within the land reform framework.

4. Adapting institutional structures, including control and monitoring systems

A final recommendation concerns the lack of an overall institutional structure, which should include control, monitoring and conflict resolution systems. Each project must be part of a structure at all levels and involving all stakeholders concerned with the land reform programmes, including all institutions, support services, administrative procedures, etc, from the beginning of the project and through its entire life cycle.

Indeed, the success of land reform requires the interaction of all stakeholders. A coordinated, coherent institutional structure is necessary to enable this. Such a structure will optimise interaction, organization and coordination among all stakeholders.

This structure must include monitoring and controlling mechanisms. These must be the responsibility of external bodies and not, as currently, fulfilled by the same government body responsible for the implementation process. These external bodies, active at all levels among all stakeholders, should control, monitor and coordinate all the various activities of land reform. Such a governance structure should improve the ability to

- identify weaknesses (such as administrative complexity, or lack of staff capacity),
- avoid incoherence (between and within institutions and services) and
- overcome the isolation from which many projects suffer.

This overall structure for land reform must not follow a top-down autocratic pattern, but rather guide all stakeholders in their individual activities (e.g. adapting services, extending services) and in coordinating their activities.

The restructuring recommended for the land reform process will promote the development of an integrated institutional framework. Adapting policy for communal and private land will facilitate service delivery at all levels (extension, marketing services, public works, etc.) while at the same time allowing for the specific needs (adapted extension services) of different socio-geographical areas.

5. Conclusion

South Africa has only redistributed about 4% of its land to the previously disadvantaged (Lahiff, 2005). Due to the historical bias and the sensitive socio-political character of land in South Africa, land reform must and will continue. However, land reform must also, without affecting overall production structures in any negative way, improve the livelihoods of the previously disadvantaged, mainly the rural poor.

This report is based on research carried out in the Mole-mole municipality of the Limpopo Province on 39 land reform projects (including restitution, SLAG and LRAD projects). The results are definitive: land reform not only has negatively impacted production at municipality level, but is presently not improving livelihoods in rural South Africa. This study confirms, quantifies and analyses the failure of South Africa's land reform restitution and redistribution programmes.

Of the 39 projects assessed, only four seem likely to survive, and only three of these in a sustainable manner. Instead of improving the livelihoods of the approximately 4691 beneficiary households, land reform currently only benefits 164 households, and has caused an 89.5% decrease in production as well as many job losses. Of the households currently benefiting from the land reform projects, only very few can effectively live on this income. Most activity on the farms is subsistence-oriented, and several projects have entirely collapsed. A last option is often to lease the land out, (sometimes to its previous owner).

There are a number of reasons for these failures:

- Firstly, the feasibility of the land reform projects is questionable. Difficult economic conditions (land prices, interest rates) make LRAD projects non-

sustainable. High numbers of beneficiaries, unsuitable land and geographical isolation make restitution and SLAG projects unfeasible.

- Secondly, inappropriate institutional structures at project level result in legal inconsistencies and power struggles, which cause conflict, mismanagement and misuse of resources.
- Thirdly, a lack of collective action and institutional contact leads to sometimes extreme isolation of the land reform projects.
- Finally, land reform processes are characterized by administrative complexity, lack of knowledge and skills among government personnel, and non-transparency. This destroys trust in the government programmes and prevents the provision of adapted, coordinated services.

Solutions are required to overcome these failures and to improve the prognosis for upcoming land reform projects. This study recommends firstly that the structure of land reform be renewed in South Africa, to take a dual approach combining private and communal land. The first pillar of this approach will promote private land reform, based on the existing LRAD programme, and the second pillar restructure communal land reform along more territorial and geographical lines around existing rural communities. A second recommendation outlines institutional structures to be enhanced and made more transparent and participative. A third recommendation is that collective action be promoted to overcome project isolation. Lastly, this study recommends that a strong coherent institutional structure, including control and monitoring systems, be formulated to integrate land reform projects into a coordinated framework while adapting to each project's individual needs.

These recommendations should not be implemented separately as discussed above but should form a coherent framework. Furthermore, they are not quick-fixes for the problems facing land reform and development. Rather, these recommendations highlight some aspects that must be addressed if land reform in South Africa is to contribute to development and overall stability.

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