

## Nourishing rural poverty - South Africa's unchanging land relations

### Introduction

Already extreme, the gap between rich and poor in South Africa, particularly the rural poor, has widened since 1994. As graphic as they are in depicting the life of suffering and severe difficulties that millions of people face everyday, poverty levels do not stand on their own: they are an indictment of a much larger and systemic malaise, or perhaps more precisely, a function of the overall socio-economic organisation and logic guiding society, the mode of production, and the nature of the state and elite holding power. As in many countries of the South, the countryside in South Africa in which indigenous populations live, have always been neglected by the central state – in the name of “forward march” of capitalism and in this case as part of social and spatial engineering. The anchor of the highly oppressive system erected under settler colonialism in the southern Africa region has been land ownership, whose weight stretches like a heavy blanket over the society as a whole, shaping social relations, distorting and disarticulating possibilities for accumulation and resisting significant change. Land relations reflect much more than the value extracted and GDP figures they generate: they form a crucial part of the basic structure and dynamics operating against social change.

After an overview of the situation of the rural poor in South Africa's divided countryside today, we examine briefly the ways in which control of land and its resources has anchored capitalist development in agriculture and the relations underlying it. The paper then analyses the contradictory position of the incoming post-apartheid state promising extensive land reform to the poor as a means of attenuating not only poverty and the black rural population's increasingly atrophied access to land-based livelihoods, but as an important political dressing of a deep colonial wound. The emergence of land reform was contextualised by the major social upsurges against the apartheid system but also by the changes in commercial agriculture begun in the 1980s. To what degree has land reform been successful in reaching the poor under the burden of the property system? Findings from a 2008 case study in the Cape West Coast – far from the poorest region in South Africa – illustrate in a particular example some of the trends where land need and use intersect with rural poverty and food needs among rural dwellers – farmworkers as well as both farmers involved in land reform and those who are not.

The paper concludes with an overview of some of the pragmatic arguments and debates that have arisen in the wake of land reform's failure: proposals to perfect and regulate the market and building a more “developmental” state to assist the poor. Land needs to be subdivided for family farming but if there is to be any significant restructuring in the countryside on a different basis – namely that of step by step transforming the situation of the rural poor – the paper will argue that democratisation of society also means digging up the roots of landownership inherited from apartheid.

### ***Rural poverty and the “two countrysides” within South Africa's agrarian economy***

As one of the continent's richest countries, South Africa occupies a low global position in international poverty rankings but is also one of the world's most unequal societies. Based on the African population alone, it ranks close to other African countries. Income disparities between rich and poor, particularly the poorest sections of the rural population, have increased,<sup>1</sup> alongside the important growth of a black middle class, previously restricted under apartheid. According to a 2004 study, there was no “significant” change in the percentage of people living in

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<sup>1</sup> South Africa's Gini coefficient rose from 0.69 in 1996 to 0.77 in 2001. (HSRC 2004) Stats South Africa in 2002 found that the poorest 50% of households became poorer during the first five years after apartheid. Even the latest report produced by the Presidency shows no significant reduction in the gap between rich and poor. (The Presidency 2008)

poverty between 1996 and 2001. (HSRC 2004) It is no secret that while social differentiation is growing within racial groups, the black rural population, and particularly Africans, experience the highest levels of poverty, estimated at 70.9% compared to the more contested national poverty rates, evaluated at between 49 and 57%.<sup>2</sup>

Although in 1994 the territorial map was redrawn to formally eliminate the distinction between the ten bantustans and the four "white" states by creating nine provinces, the black and white populations remain divided much as they were under apartheid. The table gives a general picture of the racial and spatial division of the population in 1996. It focuses particularly on rural land<sup>3</sup>, which breaks down broadly into white-owned farms, black-held land (freehold and former bantustan areas) and a small amount of state land not included in tribal and trust land in the bantustans.

Demographically, the population today stands at about 49 million, up from the estimated 40 million in 1996, of which 35 m were blacks and 5 m were whites. One of the points of controversy today is naturally who and what is rural and what is urban; one of the most visible measures of change are the migrations to rural towns and peripheries of large cities, which are unable to absorb them as part of either the formal or informal economies. Together with plant closings, particularly the mines, this has provoked some reverse migration and has accentuated pressures on limited available land. Between 40 and 45% of the population is considered rural.<sup>4</sup>

### Proportions of landholding and population by race 1996

	Whites	Blacks
<b>Surface area/population</b> % / millions	87% / 5 m people	13% / 35 m people
<b>Rural land (millions of hectares)</b>	85,7 m ha	17,1 m ha
<b>number of people</b>	60 000 white farms	12 m people
<b>Arable land /quality of land</b>	15,9 m ha (66% medium-high)	2,6 m ha (low-medium)

*Wildschut & Hulbert 1998: 6*

Within these two major divisions, the state, private white individuals and corporate entities continue to own or exercise control of the land. About 5% of the land has been transferred to black families through 15 years of land reform. Following liberalization and deregulation of agricultural markets, the 60,000 white farmers (less than one-half a percent of the population) controlling more than 80% of farmland in 1994 have decreased in number to some 45,000, although some still own multiple properties. Slightly less than one-third of the black rural population, or several million, live in the "white" agricultural areas (World Bank 1994: 22), meaning they are demographically predominantly black.

Rural poverty in South Africa shares many common features with similar social conditions throughout the world, and is quite uneven by province; however it has been shaped by the particularities of this sharp land partition and multi-dimensional deprivation resulting from the physical settlement of colonialists and apartheid, discussed in

<sup>2</sup> Respectively in 1995 (May 2000) and in 2001 (HSRC 2004). The ANC election documents report important drops in poverty due to increased social grants to 12.5 million people). (ANC 2009). Machethe (2004) estimates the "ultra-poor" at 25%. Defining and measuring poverty continues to be a subject of ongoing debate. The HSRC's (2004) calculations are based on a poverty line varying by household size, with a household of four having a "poverty income" of 1290 rands. The Department of Land Affairs established a minimum amount required to buy food and began to measure the gap between what families could afford and this figure, in order to allot social grants. IFSNP.

<sup>3</sup> Rural land includes both agricultural land and areas that practice both farming and non-farming activities.

<sup>4</sup> May (2000) and Aliber (2001) estimate the rural population at 50.4% and 51% respectively, whereas the 1996 national census reported a "non-urban" population of 46%. (RSA 2005)

the next section. Over two-thirds of the rural black population, variously estimated at 16 to 18 million, are living in the former bantustans, reflecting high density levels, and it is there that poverty is concentrated,<sup>5</sup> reflecting a high rate as well as deep poverty (the amount required to bring households up to the poverty line) and chronic poverty.

Adult unemployment is said to reach over 70% in those areas, compared to 46% nationwide (Makgetla 2008); per capita income is low and households depend heavily on pensions, some social grants,<sup>6</sup> and remittances. Rural health services are less available and more rudimentary than in urban areas, HIV Aids rates have risen over 20% and infant mortality is high. (UNDP 2008) Although access to clean water sources has improved since 1994, long distances to fetch water place an extra burden on women. Most of those people facing food insecurity nationally are in these communal areas. (Hendricks 2005)

Extreme poverty is exacerbated by limited access to arable and grazing land, one reason that land reform has ostensibly targeted the people living in these areas. In 2005, 75% of the one million African households with land, had access to less than one hectare (Stats SA 2008). Arable land is limited to only 12 percent and most of the rest lends itself only to raising livestock; despite dwindling commonage owning and raising cattle remains an important feature of rural society. The soil is depleted from heavy use in those mostly overcrowded communal areas that have cultivable land while nationally white farmers and agribusiness control 70 % of irrigated land. Significant social and class differences there are reflected in the fact that land is used for a variety of agricultural activities from small-scale production to growing food, as well as a range of other activities, brick making, sewing, beer brewing, house construction, artisanal activities, etc. (Interviews, KwaZulu-Natal).

The shortage of black-held land is acute. Beyond ambitions to farm for both food security and sale, along with owning cattle, land is a central resource linked historically with common property, or usage that permits access to grazing, sanitation and water, as well as access to trees, thatching grass, wild plants and fuel for cooking, centred around the family homestead. Land is essential to social reproduction in the rural areas, concentrated in women's labour. In addition to blocking one source of food, lack of land means loss of property (cattle and animals primarily but also houses), growing poverty and insecurity in general, as well as added pressure in different types of social conflicts within the family and among individuals and communities competing over less available and useable land.

Like other sectors of the economy, commercial agriculture is highly centralised. A small number of large conglomerates, either central cooperatives or agribusinesses dominate production and are involved in services, manufacturing and marketing of products as well.

The lifestyle and standard of living of white farmowners stand in stark contrast to the poverty of blacks working for them in commercial agriculture as labour tenants or farmworkers. Aside from black freehold areas, most families live and work in a wide variety of contractual or informal arrangements on white farms that have in common low wages, scant access to land, generally high levels of poverty and vulnerability. Typically farmworkers<sup>7</sup> have the right to land less often than labour tenants and are not always housed on the farm; both

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<sup>5</sup> May's study shows that poverty rates are highest in Limpopo Province and the Free State, but the depth of poverty – the "amount required to move all individuals above the poverty line" is highest in the Free State and Eastern Cape. (2000: 22)

<sup>6</sup> In a study in Limpopo province, where 63.9% of people are poor and nearly 90% are rural (year?) children's social grants in Moraleng allow people to eat 2 meals a day. (Berumen 2008)

<sup>7</sup> After a steady downward trend between 1985 to 195 from roughly 1,3 million to 920,000, farm employment rose marginally up until 2002, before declining again to 628,000. (Stats 2008 Vink & Kirsten 2003) The non-permanent agricultural workforce has dramatically expanded, rising to 49% of total employment by 2002, up from 36% in 1991. (Sparrow et al 2008) In some provinces with extensive high-value commercial farming, the majority of workers are in non-permanent jobs.

groups face threats of expulsion. Farm schools are of notoriously poor quality if children even attend and very limited modes of public transport heighten the inaccessibility of health facilities and other services for farm tenants.

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The vast majority of the rural poor are black – and over half of rural households are headed by women. This was originally mainly a consequence of apartheid's migrant labour system and often resulted in dual households, dividing the family and marriage. In addition South Africa's subsistence producers are primarily women, growing food crops in increasingly difficult conditions today on very little land, sometimes succeeding in surplus for local exchange. A third component of the gendered aspect of rural poverty is the growing feminisation of rural labour which has exerted a downward pressure on wages, along with the use of more casual and seasonal labour. Unemployment rose among African women more than any other group.<sup>8</sup>

Two particular ways in which household insecurity is increasing among labour tenants, for example, are the white farmer's demands that farm dwellers reduce their number of cattle and other animals as well as a growing trend for him to reduce or remove the "in kind" portion of the family's remuneration, typically paid in higher proportions to men, who are considered heads of household. Families reported this had a major effect on their monthly food intake, and meagre wages did not compensate. (Interviews Mpumalanga) Although a minimum wage was introduced in 2001, it is applied unevenly in South Africa's white commercial farm areas.

### ***The land division and land relations: features of political economy***

As the above profile shows, South Africa remains divided into two distinct areas of the countryside, a lasting legacy of colonialism and apartheid. Ownership of land represents more than just control over the land itself; it also concentrates the relationship between people in agricultural production in a given social system. This is true both in the fully capitalist economies of the industrial countries and in the range of stages of transitional or hybrid economic structures that can be seen throughout the South today which are marked by different degrees of pre-capitalist relations. Here we mean not only more classic "feudal" or semi-feudal exploitation of large landowners but also other relations not based strictly on the capitalist market such as caste relations in India, apartheid-style racial oppression, the subjugation of women to patriarchy widespread in much of the world.

Rather than giving rise to two economies as South Africa as is sometimes argued, it is more accurate to consider the different social relations on the land – within black subsistence farming and commercial agriculture -- as embedded together in a single agrarian economy, the whole of which is characterized by the historic dispossession of the African majority and the concentration of land ownership in the hands of a relatively small group of white farmers with the backing of the state.

Land is not merely a commodity to be bought and sold in a capitalist market and this near-monopoly over land in South Africa cannot be reduced to the inequitable distribution of national resources, it involves the command over an important means of production. It is the result and constant reminder of the whole process of massive settler colonial land alienation after a long period of bloody colonial wars and wars of resistance against it. The appropriation of large areas of black land by white farmers and speculation companies with the aid of early colonial states, took on an added importance after the discovery of diamonds and gold in the 1860s and 70s. The rapid need for an available pool of black labour - separated from independent peasant farming but prevented

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<sup>8</sup> SSA Labour force Survey September 2002. The changing class composition of the countryside and peri-urban areas, the nature of migrations to and from rural areas along with the urbanisation of rural areas without significant development are subject areas that need further analysis for the post-1994 period.

from becoming a concentrated urban workforce - was a driving force behind the process of accumulation and widespread land dispossession.

The vigorous capitalism of South Africa's commercial agricultural sector thrived on the basis of forced removal of the original occupants to Bantustans and ability to superexploit a vast supply of African labour, whose labour power was reproduced through maintaining pre-capitalist subsistence production in native reserves. Other pre-capitalist relations figured heavily in the developing "modern capitalist economy", and on the white farms in particular, including sharecropping and various forms of tenancy, combined with "master and servants" practices and outright coercion and continue to be reproduced today even in a society overall determined by capitalism.

The ideological centrality of white supremacy came to penetrate the colonial social relations of South Africa and left a deep imprint on the politics and socio-economic organisation of society to this day. The systemic territorial separation by racist land laws early in the 20<sup>th</sup> century, aimed to establish clear property ownership rules, eliminate most African landholding, and break up the existing concentrations of African peasants and tenants. Ethnically-based artificial "native" reserves (stemming back to the mid to late 19<sup>th</sup> century) were established to provide abundant, cheap labour for the mines and the farms, precursors of the 20<sup>th</sup> century bantustan system. The settler colonial state further systematised and instrumentalised white supremacist ideology in the service of developing capitalism with the introduction of the barbaric codes of apartheid, introduced in 1948. Initially channeling migrant labour to all sectors of the colonial economy – agriculture, mining and secondary industry -- under the watch of an ensemble of chiefs and traditional authorities (often chosen for their jobs on the basis of their allegiance to the central apartheid state), the bantustan system also served as a general means of social control over the rural black population.<sup>9</sup> Over the decades, unemployment, poverty, shrinking farming opportunities on overused land and high demographic density came to typify the bantustans. The widely recognized high levels of poverty and joblessness, very low rural wages not always paid in cash, lack of food security, difficult access to sufficient water, credit, transport and outlets for sale and distribution of crops all flow from and are shaped by the nature of the landownership system itself which has been historically the very pillar on which the whole South African socioeconomic system has been constructed.

In sum, the control of territory, of black labour and skills on individual privately-owned land in the white farming areas became the basis upon which commercial capitalist farming was developed and came to dominate the rural economy linked to the apartheid state and the white minority. Together with widespread practices of racial subjugation, important pre-capitalist features continued to be incorporated into these agrarian relations and, rather than gradually disappearing, were strengthened in many ways within the general prison-like atmosphere of 20<sup>th</sup> century South Africa and the effects of strong white authority networks and isolation of the commercial farms in particular. Many practices deeply embedded in South African history and socio-economic reality can hardly be considered examples of the free exchange of wages for labour power characteristic of capitalism. For example, unpaid labour of the whole African family, and not only of the male head of the household is captured by the farmowner, sometimes even in the classic semi-feudal form remunerated by a small piece of land and payment in kind. Although they have changed in form, open terror and more discreet forms of extra-economic coercion have been a constant feature of life on the white farms. Tenants reported during field research in Mpumalanga that they were confined to the farm even when they needed to attend to health or personal matters, their identity cards being held by the farmowner to prevent them from voting, various forms of humiliating treatment as a means to encourage subordination, the constant threat of expulsion from their land, along with different types of violence ranging from rape to murders, but primarily relatively frequent beatings for simple transgressions like not bringing the cows into the *kraal* on time. (See Andrew 1999)

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<sup>9</sup> For more, see Lungisile Ntsebeza's *Democracy Compromised, Chiefs and the Politics of Land in South Africa, 2005*.

## ***Change and continuity within the 1994 political transition and commercial agriculture***

This deep structural and racial division within the property system has barely changed today. About 4.8 million hectares, or just under 5 %, of white farmland has been transferred to mainly rural black beneficiaries of various social strata through the three main components of the land reform programme since it was introduced 14 years ago. (DLA 2008:1)

The effects of reform on the poorest sections of the rural black population seeking land as well as the rationale behind the main trend that has developed within the land reform programme are subjects of ongoing controversy. In essence this is the trend seeking to slightly deracialise the commercial agriculture sector, as it is currently organised, opening itself up to a small stratum of better-off black farmers who may or may not be “integrated” into this milieu and may or may not be able to compete within it. Reform aims to facilitate smaller groups of black farmers buying land, with some state support, through the redistribution programme, while assisting a small number of other families who have successfully claimed land through the land restitution programme that is then bought with state funds. But first, an obligatory detour via the political transition of 1994 in order to situate the strategic decisions guiding land reform within the framework of the existing political economy model.

### **A negotiated transition**

South Africa’s power sharing arrangement in the post-1994 National Unity government to that both ended formal apartheid rule and followed on its heels was the outcome of a settlement negotiated for years with significant involvement of Western governments, eager for a solution that would stabilise the immediate political crisis, haemorrhaging investments and the economic situation as a whole. As the most “moderate” of the national liberation movements that had increasingly developed ties with the West in the wake of the collapse of the Soviet Union<sup>10</sup>, the ANC leadership was carefully groomed for this role, yet knew that it was stepping into some treacherous waters.

On the one hand, its social base among the African population that was expected to deliver the vote for the ANC was hungry for qualitative social change and one of the ANC’s roles was to reassure them that social development would occur rapidly. They promised to eradicate absolute poverty, create full employment and bring about social integration through enhancing and protecting human rights and deracialising public spheres. In addition, the new government promised to redistribute 30% of the land to blacks. On the other hand, the negotiated settlement pivoted around preserving the organisation of the economic system as it existed and reducing the heavy centralised apparatus of the State under apartheid, along the lines of an adapted neoliberal agenda. Priorities included improving the investment climate and pursuing rationalisation of the economy in order to better compete in an increasingly tightly-knit globalised market. This meant greater liberalisation, expansion of export-oriented agriculture, assuring low-wage labour, and the streamlining of public structures, since the state no longer needed to artificially support the white minority base in the same way. Some authors have referred to it as a “self-imposed structural adjustment”. (Marais 1997)

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<sup>10</sup> The ANC’s conception of sharing power with whites as part of peacefully moving to socialism was conceived from a position of its close ties to the Soviet Union up until the geopolitical changes in the late 1980s. Before that, the ANC’s primary political, financial and military support came from the Soviet Union, which devoted a fair amount of resources to building its image internationally through conferences, press and speaking engagements after it was banned and became relatively inactive from the mid-1960s to the mid-1980s.

To accomplish this, the macro-economic policy was adopted known as GEAR: growth, employment and redistribution. GEAR aimed to eliminate government debt and create an export economy aiming at a major increase in foreign and internal investment, a larger tax base and thus substantial job creation; all this would in principle reinforce the government's financial capacity to spend on social needs, along the lines of the ANC's Reconstruction and Development programme.

In actuality, the effect of Gear has been similar to what many left economists and NGO writers feared: a downward effect on wages to attract investors and macro-economic ramifications typical of weaker economies integrated into the world system such as even greater poverty and landlessness for the poor, fewer jobs and increased government debt, resulting in sharpening social polarisation. During GEAR's first five years "in office", economic growth declined progressively. Its flexible labour market dictates contributed towards the expansion of temporary and informal employment alongside the elimination of at least half a million jobs within the formal sector up to 2001. Since that time, steadier growth rates have levelled off at around 3%. Privatisation of formerly nationalised state industries aimed to encourage African-owned enterprises, but in reality this process instead reinforced the strength of existing conglomerates. (Viljoen 2005)

The ANC and National Unity government faced a major conundrum: while promising to eliminate the *effects* of the oppressive and exploitative system as it existed under apartheid, they set about rationalizing the same structures underpinning it that would perpetuate, if not strengthen most of those effects. Along with the growth of the black middle class, social differentiation has increased. The neglect and impoverishment of the black rural population are tangled up in this web of priorities and indeed, necessities, within neoliberal logic. And reinforcing the agrarian economy based on the largely white commercial agriculture sector was an important aspect of that, as will be discussed further below.

The ANC-led government adopted two different narratives to handle this enormous apparent paradox in the area of property rights: it promised state assistance to restore and redistribute large areas of land to the black population that had long been denied it, while at the same time promoting a climate among white landowners that land reform would not interfere with their current property rights and farming operations. A long and bitterly fought societal battle ensued over the "property clause" of the Constitution, which defined rights to land for whom and on what basis. Although land can theoretically be taken over for the public purpose of land reform, in essence the clause upholds and protects existing private property and thus the main core of the ownership system stemming from apartheid -- which continues today to fuel debates over the concept and approach to land reform.

The ANC's "people-centred" discourse was undoubtedly an indispensable ingredient in the political "cement" holding together the new state by neutralising the extreme frustration of the black population and discouraging social struggle during the period coming out of the intense crisis of the 1980s. Yet alleviating poverty and particularly rural poverty were not central to the "national unity" programme agreed upon. Public funds were allocated for increased social grants, various kinds of infrastructure, education, healthcare and other needs; 3.1 million RDP houses were built, large numbers of people obtained electricity hook ups and new water taps. (ANC 2009) At the same time, the changes in South Africa's countryside since 1994 have been very uneven, and reportedly many people cannot pay for newly privatised services.<sup>11</sup>

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<sup>11</sup> One rural resettlement area visited in Limpopo in 2006 -- to which victims of massive forced removals from so-called white areas were displaced in the early 1960s -- had finally been electrified after some 40 years but still had no street lights or paved roads. Nearly all of those interviewed in different rural areas of Mpumalanga and KwaZulu-Natal during research -- all of whom had voted -- reported that nothing was significantly changed for them since 1994. Many said they were "free" to move about now, compared to the past, but had no money to go anywhere.

In addition to the general parameters of the political transition, the changes in the commercial agriculture sector that were already underway from the end of the 1980s set the tone for land reform – and for its failure. In fact, in many ways, the dynamics put into motion worked to hinder broad land redistribution, including to the poor.

### **Priorities in commercial agriculture set limits for land policy**

One of the ironies of the continuation of white minority monopoly of the land in South Africa is the frequent reference to the minimal contribution of commercial agriculture to the gross domestic product today, and thus by implication the economy. Agriculture contributed 5.1% to the GDP in 1994, the lion's share generated by the white commercial sector. (World Bank 1994: iv; FRRP:159) With forward and backward linkages, however, the agro-industrial sector amounted to 20% of the GDP and in 1996 it accounted for 13% of formal employment. (World Bank 2002) Since that time, macroeconomic statistics show a falling share of commercial farming in national output, growth and employment, with value-added to GDP down to 3.1%. GDP is very misleading given the major political influence that commercial agriculture and white monopoly control of land continue to exert within the whole social system and its reproduction of inequalities. This helps explain why although land reform arose as a definite and palpable requirement to successfully carry through the political transition with its own political and social dynamics over the past decade and a half, it was also developed within the parameters of an already ongoing process of modest reorganisation of the commercial agriculture sector, one of the core aspects of which was the consolidation of the land market and of land ownership in general. (In Department of Agriculture documents too, ensuring rural stability and “market certainty” reappear as priorities. (DoA 2001:15))

The apartheid state operated as financial broker for white minority interests beyond its role as social, institutional, political legal, and repressive central apparatus. It organized tax incentives and large subsidies for foreign and local companies through state corporations, facilitating links between different industrial sectors in order to lower their costs, subsidising the white farmers over decades and keeping many out of bankruptcy. (Andrew 2005) With debts mounting and with commercial farmowners increasingly divided into a “productive core” closely tied to agri-business and a larger number of less productive individual white farmers who largely depended on such state support (for their survival), the apartheid state had already begun to take steps to improve the “efficiency” of commercial agriculture. (Weiner & Levin 1991) At the heart of this was consolidation of land into fewer (large) farms and pumping more investment of finance capital into agribusiness, along with putting development banks into private hands. (van Zyl *et al* 1996, Greenberg 2003, Viljoen 2005)

While the ANC's programme geared towards an economy based on markets and private capital accumulation aimed to expand the number of black farmers, they sought to do so on the basis of maintaining the productive white commercial agricultural sector essentially as it existed (and without paying sufficient attention to the ecological effects, which are under-researched). This meant also not neglecting the importance of manufacturing linked to agriculture. The ANC shut down marketing boards and put an end to export monopolies, going even further in the direction of total deregulation in agriculture than the early 1990s proposals by the World Bank. Yet it actually strengthened the control of the most powerful agricultural interests in agribusiness, rather than having any significant redistributive or restructuring impact on the sector that might work to the advantage of the African population seeking land. As Williams *et al* (1998:89) argued, deregulation allowed “producers, manufacturers and traders ... to defend or even enhance the dominant positions which the whole range of statutory privileges enabled them to establish”. Price controls on agro-foods were eliminated without considering the likely food security impacts on low-income rural and urban households of food price inflation that follow deregulation and liberalization.

According to Greenberg (2003), these changes weakened the traditionally strong position of grain farmers while strengthening companies and producers in the wealthier export-oriented sectors tied to the world market.

## ***Land reform mainly bypasses the rural poor***

Land reform has not benefited the poor very significantly either quantitatively or qualitatively. Not only have the combined programmes transferred a minimal amount of land over 15 years to a small number of beneficiaries, but the projects and new farmers face enormous difficulties integrating into commercial farming.

As stressed above, the new government relied heavily on the political promises contained in its controversial land reform, composed of three programmes: *redistribution* through black households purchasing land with the assistance of a state grant on a willing buyer /willing seller basis, an ostensibly rights-based land *restitution* programme, in which the state purchased land directly for successful land claimants (at market rates) and thirdly, *tenure reform* to secure land rights for various categories of dwellers on the white farms as well as improve tenure security within the former bantustan areas.

During the first five years of land reform, the South Africa's guiding *White Paper* clearly emphasised targeting poor rural groups as beneficiaries of redistribution: those marginalised and in need, women who make up the largest group of subsistence producers, labour tenants and other vulnerable rural sections of the rural population. A small Settlement /Land Acquisition grant of 15,000 rands, later increased to 16,000, was awarded to households who could prove their need and whose combined monthly income fell below 1500 rands; immediately controversy arose over who and what constitutes a household, particularly in light of women as non-heads of households being typically excluded from accessing such grants.<sup>12</sup>

Critics sharply opposed the market-basis of the reform in general and the principle of blacks having to buy back land that was taken from them in one form or another. The willing buyer/willing seller policy came under attack in particular for leaving regulation in the hands of supposedly neutral market forces in a highly unequal and distorted economy, which could not and do not perform as though they were blind to gender or race; rather than compensate for immense existing inequalities, the market tends to reproduce and exacerbate them. In addition, in a context in which the large-scale commercial farms were to continue as the model and "motor" of growth in agriculture, subdivision has been repeatedly opposed and defeated.<sup>13</sup> Market-pegged land prices meant that large groups of beneficiaries had to pool their resources in order to purchase a large piece of land, creating artificial Community Property Associations or trusts, which proved ineffective for launching farming operations, plagued with a host of financial, organisational and internal problems.<sup>14</sup> Paying market prices also meant that most land reform funds – both state and individuals/groups pooling their resources – went into land acquisition – and back into white farmers' bank accounts -- rather than into lacking infrastructure, services and for development of the land itself and helping farmers get on their feet. This has posed continuing challenges in terms of post-settlement support, finding credit and funds to launch farming, buy equipment, invest in training, although some mechanisms have recently been established for this.

Most of all, considering the repeated promises for land reform to serve vulnerable groups among the black rural population and help lift them out of poverty, redistribution is reproached for largely bypassing them. There are few reliable statistics disaggregated by race and poverty levels but small or subsistence women producers, for

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<sup>12</sup> This was later corrected after NGOs and others protested and women who could raise the matching capital were able to access grants in their own name as individuals under LRAD. (Ministry 2001:4) Polygamous households raised similar concerns: in 1999 the DLA decided that one subsidy would be granted to the husband and main wife in customary marriages and each of the other wives could apply individually for another subsidy. (DLA 1999:58)

<sup>13</sup> Despite debate and pressure from civil society, the 1970 Subdivision of Agricultural Land Act has not been repealed.

<sup>14</sup> Interview with A. Vorster and J. Tshabangu at the Regional Restitution Commission in Pretoria, March, 1999

example, represent a tiny fraction of beneficiaries during this first period. A wealth-based ranking, such as the degree of landlessness which can also be a test of the pro-poor content of fiscal spending, is remarkably absent from land reform policies. In addition, rather than labour tenants and farm dwellers gaining access to new land rights and tenure security, they have been victims of repeated waves of evictions from the white farms where their families often lived for generations. White farmers refusing to relinquish part of their land to labour tenants and farmworkers as envisaged by the reform vociferously challenged the new legislation and in effect largely ignored limitations placed on their usual practices, bringing about a near stalemate in the state's capacity – and perhaps will -- to push ahead and implement land rights. Farmowners who violated new laws were rarely prosecuted. Some farm dwellers relocate on other farms, but most end up "waiting" in resettlement areas or rural townships with neither land nor employment, in a situation of growing vulnerability. (Wegerif 2005; Andrew 1999)

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In 1999, the redistribution programme was reorganised, a new minister put in charge of both land affairs and agriculture departments,<sup>15</sup> and the unofficial policy of catering to relatively better-off strata of black farmers who could more easily fit into a purchase-through the market plan was adopted as official policy. Called Land Redistribution and Development (LRAD), this second phase of reform offered new or "emerging" black farmers the possibility of buy land on a sliding scale with government assistance.<sup>16</sup> While the poor weren't officially excluded, the mechanisms themselves effectively screened out those who could neither afford to nor had the connections to operate in this type of environment. (Jacobs 2003)

Business plans developed with private urban-based consultants are required of applicants in order to prove a project's sustainability. In addition, those who are able to get a foothold on land face much more than an "uneven playing field", as the World Bank writers put it. (Van den Brink et al 2007) They must compete for state support in an environment dominated by the established white commercial sector with its linkages and strong position in upstream and downstream markets, including export, distribution circuits and food processing and this competition is heightened by global factors. The National African Farmers Union, representing new and established black commercial farmers in the main, has protested the difficulties its members face in this climate.

Although LRAD no longer really pretended to be oriented towards the landless and land hungry poor by "deracialising" the sector and facilitating larger, black-operated commercial farms,<sup>17</sup> some clauses were added regarding "safety-nets" (Ministry 2001); there are in fact few real mechanisms catering to women, the rural unemployed and other sections of the rural poor, along with little acknowledgement of the importance of farming as a part-time activity or on a small non-commercial scale, in the survival strategies of large numbers of rural people<sup>18</sup>. Today some of the ANC's discourse is changing in relation to the 2009 elections. Without subdivision none of this is conceivable, but dividing up the land in and of itself is unlikely to solve the government's dilemma.

<sup>15</sup> Thoko Didiza was replaced by Lulama Xingwana in 2006.

<sup>16</sup> Beneficiaries were no longer evaluated on the basis of their monthly income. Those who can put up an initial capital contribution (although theoretically, also through equal value in kind or labour) may purchase land by benefiting from government grants on a sliding scale: the minimum input has been R5,000 for a matching to R20,000 grant. This represents the bulk of a year's income for most *employed* agricultural workers, for example, who might presumably be among those most interested in land and possessing skills. Amounts are slated to increase to a minimum grant of 111,125,000 and a maximum of 430 085,000 rands for qualifying individuals. (DLA 2008, Ministry 2008, DoA and DLA 2008, Lahiff 2008)

<sup>17</sup> The AgriBEE policy framework explicitly targets the development of a class of black agricultural capitalists.

<sup>18</sup> Anecdotal evidence from various locations shows increasing class differentiation among land redistribution beneficiaries. Although government is still to implement its controversial tenure reforms in the old Bantustans (under the Communal Land Rights Act- CLRA), richer farmers in these territories have been able to access LRAD grants to purchase commercial farmland in regions that border the homelands. Land-poor rural dwellers, on the other hand, employed by 'emerging black agricultural capitalists' tend to work under conditions of super-exploitation on some of these farms. Moreover, capitalist accumulation in this agrarian set up is positively tied to positions occupied within the hierarchy of the traditional authorities, which is effectively another sphere of political governance in these territories.

Rising food insecurity in the rural areas and the need for land both for family-sized farms, perhaps for local exchange and on the level of large gardens for home consumption is clearly one of the major concerns the government will be facing. This raises anew debates over different types of land schemes for food production and usually in a somewhat limited way sandwiched between “equity” and “efficiency” arguments. Although South Africa is not yet facing an acute food problem like some other countries, according to the Integrated Food Security Nutrition Programme, 14-15 million people in South Africa suffer from food insecurity, a high percentage (not specified) in the rural areas, while malnutrition is worsening; nationally, between 25 and 33% of households are not in a position to buy food that fulfill the nutritional needs of children, the sick and the elderly. (DoA 2005) Along with high unemployment, HIV/AIDS and other illnesses also contribute to food undernutrition along with problems of soil quality and water access, widespread in the former bantustan areas. The government took new steps in May 2008 in the face of skyrocketing world food prices to increase availability of “social welfare grants, starter packs for household vegetable production, family gardens, and school feeding schemes as well as work for food project under the public works programme”. (Ministry 2008:3) And the ANC’s 2009 Election *Manifesto* proposes more food relief programmes than it does corrective measures for land and agrarian reform.

By way of example of a particular region, the Cape West Coast, we have included findings from a recent study of land and rural livelihoods, which illustrates the complex landscape of maintaining rural livelihoods outside a major urban area, with land access still at the centre of households’ preoccupations, along with improved services, access to water and local markets.

### ***Land and rural livelihoods on the Cape West Coast***

In the West Coast district of the Western Cape Province, the ways communities work, live and survive differ from official accounts. Communities speak of their daily experiences in this district as rural, dependent on farming and fishing, and generally impoverished. Documented reports of Surplus Peoples Project (SPP), a non-governmental organization with extensive grassroots understanding gained through decades of work among these communities, dating far back into the pre-1994 era, sketch a similar picture of rural households surviving through various on-farm and off-farm livelihood strategies. On the other hand, the views of the provincial government, other state agencies and commentators, based on Census and other national surveys, suggest that this region has the lowest poverty rate<sup>19</sup> outside the Cape Metropolitan Area (CMA) and is predominantly urban. This may be explained by the fact that the West Coast region is small (so representing a lower proportion of poverty in the province) and by its proximity of the CMA, enabling residents to earn higher incomes (Oosthuizen and Nieuwoudt 2003). (In fact, from the statistics and viewpoint of the Provincial Government, this is an urban district, with 70% of households classified as ‘urban’ (PGWC 2007).

A closer view of the economic or livelihoods activities of communities in *Bergrivier, Cederberg and Matzikama* makes the picture composed from officially accepted statistical studies even more puzzling. Household level income for the West Coast, specifically in these three districts, falls well below the income levels for the CMA. But without a statement on income sources (heavily reliant on pensions and government grants) in a setting where livelihood strategies are diverse, makes it difficult to measure the relative importance of elements in this mix of activities. People work mainly in farming and fishing (25-35% *range*), with unemployment lower than the national and provincial averages.

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<sup>19</sup> Officially, the West Coast region has an income poverty rate in the order of 21%, making it the district with the lowest poverty rate outside the CMA (Oosthuizen and Nieuwoudt, 2003).

### Rural poverty and land access

Against the background of working and living conditions on the West Coast, this example looks at the role of better access to land in the fight against poverty and in particular, the current patterns of land access in terms of household characteristics and land-use as well as the extent to which land reform responded to land needs as part of the overarching goal of a pro-poor agrarian reform project. The study is based on a purposely designed survey of more than 600 households connected to the agricultural sector. Each rural household was classified on the basis of the primary occupation described by the household head or main decision makers. Among these, land reform farmers, non-land reform farmers, and farm workers displayed the strongest ties to farming.

More than 80% of the households in the sample described themselves as either farm workers or farmers, meaning that respondents were predominantly earning their livelihoods from agriculture. The vast majority of households make a living as farm workers, comprising more than 75% of the sample in Berg River, which is relatively closer to the Cape Metropolitan Area than any of the other districts. Farmers, specifically non-land reform beneficiaries, appear to be concentrated in Matzikama, which lies on the far northern edge of the West Coast, bordering the Northern Cape.

For the majority of rural households in this purposeful survey, agriculture is the chief base of their livelihoods. But small resource-poor farmers and agricultural workers do not perform equivalent functions in this agrarian setting. Farm workers depend on wage income, with the majority of the main decision makers in this rural category reportedly in permanent employment and nearly 20% in non-permanent jobs. They are more likely to work on large commercial farms rather than for small farmers who participated in this study. Resource poor farmers, on the other hand, rely on own labour rather than hiring non-family wage workers. Non-land reform farmers (14% of the sample) seem to be spread across all districts, suggesting that government's land delivery project over almost 15 years has effectively bypassed at least 85% of rural households in this sample. Land reform has evidently done little to visibly improve the livelihood strategies of rural households tied to agriculture in this region.

The livelihood status of households and their ability to withstand shocks to their wellbeing tend to be dictated by their access to and control over assets. Asset deprivation is a fundamental driver of long term vulnerability of households. It consistently explains why households are trapped in chronic misery. Overall, the only asset widely owned across rural households appears to be a brick house. A marginal cluster of household (14%) own farmland, which falls in the range of automobile ownership (14% for a cars and 10% *bakkies*). The most substantial level of livestock ownership occurs in Matzikama, dominated by the ownership of sheep (19%), goats (12%) and pigs (11%).

As a primary income source, farming plays a marginal or insignificant role but this does not mean that it is unimportant for direct household food security. However, rural households rely primarily on wage income and state grants. A comparison of the average level of household income with average expenditure per month reveals that the 'representative household' in this area barely scrapes together enough money to pay for daily necessities. Food expenditure takes up at least 60% of total household income. Surprisingly, nearly 80% of households did not report any experience of hunger. However, given that a larger percentage of households have been affected by the recent wave of food inflation (about 20%) than those experiencing hunger (about 15%), implies that more households might be trapped in a near-food insecurity band than actually reported.

Looking at non-food spending, it is interesting to note that debt repayments comprised almost 20% of household spending, which is one of larger components. Using this as a proxy for household indebtedness in the context of near zero savings suggests that many of the rural poor in the Cape West Coast make ends meet by "trading on debt" (borrowing from one creditor to repay another (creditor)).

It is clear that land plays a critical role in sustaining rural livelihoods. It forms the productive base for crop and livestock farming, making land probably the most important production resource. No doubt, housing settlements (from a formal brick dwelling to a cardboard shack) take up considerable amount of land surface. We limit ourselves to these hardcore land uses because land speculation and active trade in land valued at substantial monetary values that can shift land prices do not feature prominently in the livelihood strategies of rural households in this study. If an active land market exists among these communities, it is most likely to be relatively small and informal.

The average farmland ownership for the entire sample is roughly 14 % of households. Farmland ownership is usually verifiable with the aid of a formally registered title deed, which usually confers private ownership in the current land tenure setup. Within a private land tenure regime, however, it is not uncommon to find other forms of landholding and access. Moreover, resource poor small farmers might enjoy use rights over land (irrespective the form and level of payment) but without title. Documenting this myriad of land tenure arrangements is a complex undertaking which requires extensive research in its own right.

Interesting trends emerge on how each rural category uses land. It was not surprising to observe that land access for both livestock and crop farming is primarily concentrated among farmers. However, land reform farmers dominate crop farming, whilst their non-land reform counterparts form a slight majority of livestock farmers. It is important to read this finding in conjunction with the spread in land size across crop and livestock farmers. The average land size is (relatively small), on the order of 3 ha, but land reform farmers (especially those in crop farming) cluster above this level, whilst non-land reform farmers have access to about 2.4 ha of land for their livestock, on average. Given that livestock grazing in the agro-ecological setting of the West Coast requires a larger amount of land, agrarian reform in this area should probably prioritize the needs of livestock farmers.

The survey included questions on land access for horticulture (orchards), but found that an insignificant minority of land reform farmers (roughly 6%) reported access to land for this purpose (amounting to a third of land reform farmers that access land for home-gardening). Whilst they work in the agricultural sector (especially on horticultural farms), farm workers appear not to engage in either crop or livestock farming on a substantial scale, with the exception of approximately 18% of farm workers who reported that they engaged in home gardening.

### **Land Reform and land need**

Firstly, among the rural households along the Cape West Coast, land demand appears to be strongly split between land for agriculture and land for housing. There is no strong demand for housing land, which appears to be relatively higher among farm workers, mine workers and fisher folk compared to the farmers. This suggests that housing tenure security is evidently a major concern among these sections of rural dwellers.

While the demand for agricultural land is relatively small, it is surprisingly higher than the demand for housing land. As to be expected, the demand for farmland is concentrated among farmers, although it is important to note that nearly 25% of all farm workers want land for crop farming. Overall, non-land reform farmers expressed the strongest demand for land, with close to 50% wanting land for livestock grazing and close to 40% demanding land for crop farming. Moreover, their strong demand for land is further articulated in the average land sizes they need: about 21.5 ha for crop farming and more than 50 ha for livestock grazing. Compared to existing land access trends, this means that farmers could demand up to a tenfold increase in the average land size. It was interesting to note that households planned to sell surplus output in local markets, instead of national and international markets with much larger purchasing power but perhaps more intense supply-side competition.

Freehold title is the strongly preferred land tenure arrangement among households who articulated a demand for farmland.

To satisfy their land need and acquire private ownership in farmland, households will rely almost exclusively on their local municipality and the department of land affairs. This dependency on the state is probably related to the present land tenure status among most farmers (who occupy land with the permission of some state agency) and generalized awareness of land reform. What is puzzling though is that rural households lacked a clear understanding of the workings of specific pieces of land and agricultural policy instruments. Moreover, rural dwellers seem to connect their demand for land for agricultural production to land restitution (and not SLAG, LRAD or CASP<sup>20</sup>) yet this rights-based element of land reform lacks a strong agrarian development dimension.

This case study offers compelling evidence to fundamentally rethink the agrarian reform model tenaciously pursued since the end of apartheid in 1994. Firstly, this model has failed to deliver land according to government's stated targets and generate sustainable rural livelihoods with adequate levels of agricultural development support. The crisis of market-based agrarian reform is evident from the fact that to date it has not responded to the needs resource-poor small farmers and farmworkers on the Cape West Coast, despite all the technocratic refinements in the post-land summit period. Secondly, given its failure it is vital to make a clean break with the myth to "make markets work for the rural poor". What is needed is a new framework that promotes the heightened awareness, mobilization and direct participation of land-poor rural classes in restructuring the agrarian economy.

### ***Changes, policy debates and likely consequences for the rural and landless poor***

#### **Recent government initiatives to improve land reform**

A series of new policy instruments is being developed. The Land and Agrarian Reform Project (LARP) aims to redistribute 5 million hectares of white-owned farm land to 10,000 new farmers, ease the entrance of 10% more black farmers into agribusiness, provide greater agricultural support services to target groups and overall increase both agricultural production and trade by 10 to 15%. The government will also sidestep the grant allocation procedures of LRAD in order to purchase land (from willing sellers) to beneficiaries through the 2006 Proactive Land Acquisition Strategy (PLAS). In the context of newly-introduced area based planning, the Settlement and Implementation Support (SIS) strategy will facilitate coordination of settlement and support mechanisms through rural service centres. A new Land Rights Management Facility was to open in June 2008, as a means of extending legal assistance to farm dwellers, a function which NGOs have primarily been fulfilling. Government aims to make this a public service, but at the outset it is being contracted to private legal firms, which has provoked questions about its expense and about potential conflict of interest in areas where such firms have been representing white farmers. A review of the redistribution programme is promised. As for the controversial expropriation bill, the government ceded to farmers' and lobby groups' objections over the "lack of consultation" and shelved the initiative for the time being.<sup>21</sup>

Commenting on LARP, Neva Magketla (2008), then coordinator of sectors strategies for the Presidency, makes the point that only 0,3% of landless households in the communal areas would be affected by creating 10,000 500-hectare commercial farms, at a cost of literally billions of rands to the government, while proposals targeting the majority of landless smallholders are hard to find. This is in fact corroborated by the ANC's 2009 Election *Manifesto*, which promises to improve rural living conditions, review the redistribution programme and to promote

<sup>20</sup> The comprehensive agricultural support programme (CASP) offers a menu of post-settlement support services, particularly infrastructural support, in which grant funding works on the same principle as LRAD.

<sup>21</sup> See DLA 2008, Ministry 2008, DoA/DLA 2008, Lahiff 2008 for more on these new measures.

“agricultural cooperatives throughout the value chain” but says essentially nothing about land for smallholders. Conceptually it appears that in the document they are separating off the development of slightly deracialised commercial agriculture according to the existing large-scale models from proposals for expanding “food production schemes in rural and peri-urban areas” without linking this to the overarching agrarian question, demand for land and possible sources of land in the current framework of very limited reform.

### **The land reform debate in South Africa**

Debates among land sector organisations, local communities and committees as well as in academia have been an important factor in formulating criticism and proposing improvements in the policy. Much of this has been located along a continuum of perfecting the market mechanisms at one end and pressuring the state to play a more strategic role in development at the other while different positions within this gamut of views find echoes within the DLA and ANC. Despite the convincing evidence pointing towards how capitalist farming is sabotaging food security and the environment, there is very little debate on alternatives or at least practicable strategies to facilitate the transition to a sustainable pro-poor agrarian framework.

Also active in this debate, some of the largest IFIs, such as the World Bank, working together with scholars and government leaders in South Africa have long been arguing that South Africa’s growth depends on further integration and a bigger share in world markets. According to this logic, sufficient capitalist accumulation (no matter how distorted or disarticulated – or who is really accumulating and in what part of the world) will eventually fuel social development and alleviate poverty. While there is some disagreement among different writers over how much to open up the existing commercial sector, to offset land concentration in order to facilitate the entrance of black smallholders (and how many), there is continuity within this view that the land market, restricted by racial exclusion, should itself be reformed in order to help “level the playing field”. By way of example, authors such as van den Brink, Thomas and Binswanger (2007) following the World Bank, have argued that while land reform has been slow and ineffective, the current LRAD programme (with all that implies, as described above) should be the main vehicle to reach the state’s goal of transferring 30% of the land by 2014 (next elections). The market should play a greater role and measures should be implemented such as a land tax, subdivision, further removing subsidies for large farmers that drive up land prices, as well as supplementing small farmer assistance with other grants to purchase land. In promoting family-sized farms, they situate their arguments within the debate over the inverse relationship between farm size and productivity- technocratic debate in which social classes and power relations do not exist.

Those views advocating a more “developmental” state from among civil society organisations range from encouraging state funds to be channelled towards improving the quality of life for the relatively small number of new black farmers who can be integrated into “productive” agriculture to those who feel the whole market basis of reform should be challenged as non-redistributive and unjust. In between, a range of individuals and organisations came together at the 2005 National Land Summit, to raise sharp criticism of the government, including some within the ANC itself, and drafted a resolution calling for scrapping the WBWS, but without agreeing to challenge the agrarian capitalist accumulation framework itself. (National Land Summit 2005)

Although not always “theorised” in terms of developmental state, most of the arguments at this end of the spectrum centre on greater state involvement, responsibility and resources for both expanded land redistribution and support of small agriculture. Land acquisition has tended to dominate the debate in the face of organised agriculture working to limit it, but discussion has also moved towards the insufficient support of land reform farmers and towards rural integrated development strategies, steps the ANC government began to incorporate in its programme in 2001. Proposed changes include larger social grants, more training and extension support in agriculture and hands-on assistance by the government for services that NGOs have often been performing.

Some also argue for greater decentralisation and area-based planning to promote more participatory decision-making tailored to people's needs. Expropriation, that is, encouraging the use of limited state powers allowed by the Constitution for land reform in the public interest, is stressed to varying degrees within the developmental state views.<sup>22</sup>

The views within this continuum of more market and/or more state regulation, which have been deliberately simplified here, overlap significantly and reflect both great frustration over the limitations of land reform and serious analysis of and grappling with its failure. In addition, useful empirical studies have been carried out from across the spectrum of approaches. Nevertheless, the state versus market theorising is not only simplistic but fundamentally flawed as evidenced by the counter-reforms neo-liberal states implement at the behest and in the interests of capitalists.

South Africa's modest and ultimately conservative land reform demonstrates why and how it fails the poor and landless or land-hungry sections of the black population. At the same time, it exerts a conservatising influence on the framing of the political economy questions it raises before society and social actors committed to changing the political landscape to varying degrees. The breach between what is needed to restructure land ownership and what is defined as within reach or "realistic", along with the tremendous difficulties of challenging the social organisation inherited from apartheid and its acutely unresolved national question with a coherent alternative that takes into account the structural obstacles standing in the way, gives rise to a whole range of political responses from across the "pro-poor" political spectrum. And while diverse forms of resistance and protest continue to challenge the property system and relations they reproduce, it is often argued that since there is not currently a powerful social movement speaking for the rural population, land sector NGOs, community organisations and protests should focus on pressuring the state to improve policy instruments within the current framework.

#### **ANC and Polokwane - a reshuffling to the left in favour of the rural poor?**

From its particular vantage point as a former liberation movement that moved into the negotiated political compromise and then to the reins of national government as we discussed above, the ANC has encouraged this reticence and helped to channel progressive civil society dissatisfactions, debates and summits within such terms while being flexible enough to also incorporate many suggestions from both ends of the market/state spectrum into a series of policy changes.<sup>23</sup> Different views on the continuing paradox we pointed to earlier - how to manage a growth-driven model with developmental promises that in the main fail to materialise, at least for the rural poor - have also been contending within the ANC. The resolution adopted at the ANC's December 2007 Congress, held in Polokwane, in Limpopo Province (at which Jacob Zuma was elected president of the ANC and leading to a the formation of a separate party<sup>24</sup> more loyal to Mbeki and his political orientation of the past years), provides a fairly complete description of the failure of land reform and its attendant social and political problems. It places major emphasis on improving conditions of the rural poor, both smallholders and farm workers, and especially women and develops a long "wish list" of changes that it would like to see take place and that the ANC knows much of their electoral constituency wants to hear. At the same time, while acknowledging the "bias" of capital-intensive large-scale production and ownership concentration in the countryside, neither the Polokwane resolution nor the ANC's 2009 Election Manifesto challenge the latter, for example, beyond proposals for subdivision and a land tax. Instead, there are incongruous appeals to state regulation of the land market,

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<sup>22</sup> See [Ntsebeza & Hall \(2007\)](#) for an interesting collection of different approaches, the National Land Summit Resolution (2005), and the Institute for Poverty Land & Agrarian Studies (PLAAS) web site, which offers a series of important reports and publications analysing land reform and on improving government policy from diverse views.

<sup>23</sup> In addition, a sizeable number of academic specialists and activists from land sector NGOs have joined government at different points over the years, although many also have left in frustration after relatively short terms.

<sup>24</sup> Congress of the People (COPE)

combating monopolistic practices in markets... and ensuring that macro policies “endeavour to support agriculture, particularly labour intensive production and *avoid any bias against the broader goals of agricultural development*”. (our emphasis). This thinking perpetuates the myth that monopolies are accidental impediments imposed on so-called free markets rather than formations which evolve from the internal logic of the capitalist market. The 2009 Manifesto proposes food raising schemes for the poor, seemingly apart from the parameters of land reform overall, the problems of which are not addressed in any of the three areas of restitution, redistribution and tenure reform beyond a general promise to try to put more land in the hands of the rural poor and to speed up reform.

ANC documents from the 2008-2009 pre-election period speak specifically of a developmental state which would ostensibly bridge the enormous gap between its rosy assurances and the reality of capitalist development in countries of the South, among which South Africa is far from the poorest, but whose rural poor fit squarely within that tableau. In October 2008, Zuma, stated, “Of course, the macro-economic path we choose to follow significantly affects whatever decisions we take for the advancement of a prosperous society.” And that is the real point that is being evaded in these new initiatives that sound very “left”, but are steadfastly anchored in the existing framework, both in terms of the economy in general, and land ownership in particular.

In fact, the ANC’s redeployment of its development agenda within neoliberal logic but with an expanded role for the state – along with the market- is not as paradoxical as it might seem: the 1994 RDP fuelled illusions that a qualitatively different humanitarian “developmental” capitalist path is possible that permits sustainability, productivity and prosperity for all. This is combined with its particular variant of populism towards people expecting major social change after apartheid, in which without challenging the systemic scaffolding, the people’s participation in decision-making is continually presented as a decisive element in bringing about all this about, accelerated in the period leading up to elections. Such an approach is anything but new: in the industrialised countries it is the standard fare of liberal democracies. State governments move back and forth between relatively more “conservative” to relatively more “liberal” positioning at election time with long lists of promised changes, especially from the “left”, that cannot and often are not meant to be honoured.

### **Concluding remarks**

South African land reform is non redistributive, it does not significantly help the poor and in fact has increased social differentiation in the countryside by favouring a small group of better-off black farmers, including some new entrants. The scale of land reform alone, without taking into account all the arguments about the difficulty of entering into and competing within this sector, has made it nearly irrelevant. Rights-based programmes have either encountered an impasse (communal tenure, farm dwellers) or have been very modest in scope, in trying to bring restorative justice to those dispossessed by apartheid. Most restitution cases to date have been settled financially rather than with land transfers. Some communities or groups have been successfully settled on the land through restitution, but many others are paralysed by the need for capitalist-sector business plans and conflicts over settlement grants, sometimes, ironically, driving claimants to re-lease the land back to the white farmers they “won” the claims from after long court battles. In these instances it becomes a mere commodity to be managed by those with more education and better connections to the business world rather than a means to develop livelihoods, even if this means accumulation on a very small scale without modern technology or large markets. In other cases, too, there has been pressure just to resell the property to generate income, essentially “undoing” the advantage of gaining access to land.<sup>25</sup> As for tenure rights, under new land legislation, thousands

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<sup>25</sup> Historically wherever the land market functioned as a part of land reform the poor have often been forced to sell land they were attributed, such as in post-Allende Chile and in Ecuador, with the notable exception of Mexico (for several decades until the NAFTA reforms of the mid 1990s) and China (until communal lands were privatised under Deng Xiao-peng) where it was forbidden to sell redistributed land. (Vogelgesang 1998: 8, 11)

of labour tenant and farmworker families have been evicted or “fired”, removed from the farms through one means or another, losing jobs and access to arable and grazing land. Regarding land rights within the communal areas, land tenure security has been basically put on hold because it is so politically sensitive.

Continuing to attempt to change land relations through this type of limited reform – or declaring them “transformed” - will not have a significant impact on rural poverty or bring about thoroughgoing social transformation. Commercial agriculture’s profits are relatively modest in industrialised South Africa but in many ways the land relations it concentrates are being reinforced *through* land reform itself in the service of a national growth strategy that has very little “trickle-down” effect. In addition, commercial agriculture and land ownership represent large political pillars of the old order, even if slightly evolving and “modernizing” in this neoliberal reform period.<sup>26</sup> The principal actors in the commercial sector were already shifting before 1994 towards economies of scale that depend on concentration of land holdings and continue to shy away from sub-dividing large farms, which they fear could veer in the direction of possible broadening and (racial) diversification of land ownership. The refusal to subdivide up until now shows the extent to which the existing property system has defined the parameters of land reform, dominating policy, obstructing even modest redistribution. Expropriation must be applied in this stand-off, but the question still must be asked: land and agricultural production for what and for whom and linked to what type of transformation?<sup>27</sup>

There is a strong correlation between what was actually implemented over the past 15 years and the demands of the inherited and protected economic framework overall. Although political stability was a major motivation for land reform, it was not simply a hollow political discourse by politicians to pacify the rural population and developed its own process in relation to the general reform climate and macro-economic priorities guiding the country. But the immense obstacles that have repeatedly blocked its way have rendered it politically symbolic at best. Not only are powerful political forces lobbying to keep it that way (although they may concede or be obliged to accept further changes), but this corresponds to the fact that the material workings and organisation of society, including the deeply embedded social structures—in which the national, or racial aspect are key in shaping these numerous barriers—themselves operate to prevent significant redistributive and transformative land reform for the poor, as the last 15 years have shown. On a certain level the structural limitations have long been understood and acknowledged. But this understanding is often set aside when critically examining development models in deference to the strength of the existing framework, despite the fact it can only bring about an uneven and distorted benefits to the poor, as is repeatedly demonstrated throughout the countries of the South. Thus, perhaps what is “real” and “realistic” must also be questioned.

All this points towards the unmistakably limited reach of South Africa’s liberal democracy. Important racial and social barriers have certainly been lowered in many spheres of life. But this process cannot “skip over” or put “on hold” the demand for land and democratisation of landholding. It cannot be restricted to new land laws and showcase domains of formal social equality— however important these are - or even larger safety nets without also ripping up the fabric of this stifling property system itself.

It is important to pry the debate open further in order to permit discussion of the overarching questions, challenge assumptions, and look beyond wrenching the most out of a losing proposition, an outcome particularly likely for the rural landless and poor - whether vulnerable farm dwellers or people in the communal areas seeking land for

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<sup>26</sup> See Negrao (2002) on the negative effects of market reforms on the poor and Moyo (2007).

<sup>27</sup> The PAC’s 2009 Election Manifesto calls for abolishing the Property Clause, doing away with WBWS, and seemingly bases its land reform proposals on the Zimbabwe fast-track model; it calls for a Green Revolution, whose goal is to bring Africans into the mainstream of the national economy”. (refine or cut this)

farming and non-farming livelihoods - and even more so as global crisis heightens factors towards even greater marginalisation of the poor, greater social class differentiation and food insecurity.

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**Nourishing the soil for rural poverty:  
South Africa's unchanging land relations**

The South African neo-liberal model of development has overall produced greater social differentiation since the end of apartheid in 1994. This is rooted in the soil of an essentially unchanged land system. Land reform is oriented towards "deracialising" the commercial farming sector through market-based redistribution, creating a modest opening for black farmers. The overwhelming result has been the continued exclusion of the rural poor population, whose livelihood choices are shrinking from lack of access to land and other resources, including for agriculture and, on a lesser scale, for food production while increasingly they face difficulties selling their labour as low-paid agricultural workers on the white-owned farms. Findings are presented from a recent livelihoods study by the Surplus Peoples Project in the West Coast Cape, showing the continuing importance of land for rural households. As globalization and crisis intensify rural poverty, the failure of land reform continues to fuel debates over the feasibility of challenging inherited land ownership structures and carrying out the thoroughgoing transformation that is needed, particularly in light of the ANC's apparent shift in discourse towards building a more developmental state.

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