

BLOOD AND SOIL

Land, Politics and Conflict Prevention in
Zimbabwe and South Africa



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Foreword

The International Crisis Group's mission to prevent the outbreak, continuation and recurrence of deadly conflict fits naturally with the issue of land policy in Zimbabwe and South Africa. The stakes involved in both nations are of tremendous economic and social consequence. As the situation in Zimbabwe has painfully demonstrated, if land issues are handled poorly, conflict of one kind or another is almost inevitable. Land redistribution is an issue across much of southern Africa, but Zimbabwe and South Africa continue to stand out as the vitally important – and very different – test cases.

Few topics in these countries have been more widely discussed but less understood than land reform. While agronomists, land tenure specialists, economists and political scientists have done much excellent work, there has been little systematic effort to synthesise their findings and combine them with intensive field research to produce practical policy recommendations for both local actors and the international community. This is what we have endeavoured to do in this report, placing land policy in its real-world political and economic context. Two key propositions underpin our approach. First, the colonial and white rule periods created tremendous injustices in the patterns of land use in both countries with blacks suffering a terrible degree of displacement; second, land reform efforts should advance within the rule of law and as part of a broader effort to realise the social and economic potential of the countries concerned.

In the case of Zimbabwe, sadly, it will be virtually impossible to get land policy on the right track until it experiences new leadership or a fundamental change in the ruling party's approach. But outside observers have oversimplified the story of land policy in Zimbabwe. The focus on the plight of white commercial farmers has obscured the even more acute suffering of millions of black citizens who face hunger, increasingly severe repression and bleak economic prospects. It is critical that the international community be prepared to help Zimbabweans act decisively on land reform when a political transition eventually takes place.

Putting in place plans that will allow Zimbabwe to boost its agricultural production will be crucial given the country's structural food deficits. A Land Commission will need to be established, with technical, and as far as possible non-partisan, expertise. It will need not only to conduct a national survey to determine the status of land use and current

holdings, but also to adjudicate rapidly a myriad of claims and counter-claims that have the potential to tie the legal system in knots for years. The international community will need to support a process of binding arbitration that allows reasonable payment to those whose farms have been illegally seized, while acknowledging that any sensible policy will be a compromise balancing production, legal concerns and fair compensation.

In the case of South Africa, partly in response to the heightened attention to land issues consequent on the seizures in Zimbabwe, leaders have committed themselves to significantly accelerating the pace of land redistribution while minimising illegal occupations. South Africa has set the bar high in promising to redistribute roughly one third of all commercial farmland by 2015, part of a major effort to increase black economic empowerment and ownership across a range of economic sectors. Even though such a land program is feasible, it will require increased resource commitment from the government, a wide range of local stakeholders and international partners.

There has been in South Africa something of a shift in emphasis away from poverty reduction and a focus of the land redistribution program on commercial beneficiaries. The objectives of poverty reduction and encouragement of a new generation of black commercial farmers should not be mutually exclusive, but these approaches must be coordinated to ensure a balanced and effective program. Despite the complexities, it is both possible and desirable to implement a more broad-based reform program on both private and communal land that will encompass the landless poor as well as black commercial farmers.

Zimbabwe and South Africa have contrasting histories in some key respects, and they are very different societies today. While events in Zimbabwe are not likely to be replicated in South Africa any time soon, it is clear that countries across the region are burdened with chronic land problems that are frustrating attempts to promote economic development and eradicate poverty. Uncertainty over ownership and access to land deeply discourages productive investment, and the massive dispossession of blacks under colonialism and white rule has left a bitter legacy of dislocation. The colonial exploitation of land and resources for the narrow benefit of favoured groups helped perpetuate the underlying poverty of the black population, and tenure insecurity remains linked to the limited economic prospects of many in the region.

Greater equality in access to land ownership would increase economic growth and reduce poverty, while minimising the risk of a future land crisis such as Zimbabwe's. Small and medium-sized farms should thus be a central element of land reform and of a diversified livelihoods strategy. Simply putting more people into the commercial

agricultural model as collectives – or merely changing the racial profile of individual commercial farmers – will not reverse poverty and inequality.

This report, like all ICG publications, has been a collective team effort, relying heavily on field work and close consultation with external specialists. I would like to thank all those – too many to name, and in some cases inappropriate to do so – who participated in interviews and provided peer review. ICG Special Adviser John Norris was the principal author of the Zimbabwe section and the report's lead editor, while ICG Special Adviser John Prendergast was the principal author of the South Africa text (and a major contributor to ICG's earlier reporting on Zimbabwe on which this report partly draws). ICG Vice President (Research and Publications) Jon Greenwald and Africa Program Director Stephen Ellis made major contributions to the editing process, and Nathalie De Broyer, Jen Leonard, and Dan Vexler to the production stage. Numerous others within ICG devoted many hours to the report, including Philip Roessler, Gideon Maltz, Jessica Bowers, Greg Pollock, Dara Francis, Paul Verzillo, Brenda Bradberry, Sasha Lezhnev, Jamal Jafari, Alison Rose, Erin Hunt, Fanta Toure, Elizabeth Martin, Jan Bachmann, Newton Kanhema, Shannon Field and Director of Advocacy and Research Nick Grono. I thank them all for an immense collaborative effort.

ICG will continue to track land policy issues in southern Africa as they directly relate to conflict and the possibility of conflict, assisted by our recently opened project office in Pretoria. We have been reporting on the political situation in Zimbabwe since 2000 and will continue to follow events closely, in land reform and more generally, as the country navigates this very difficult period. Much will depend on South Africa's democratic leadership being prepared to play a leadership role in helping Zimbabwe emerge from its current plight.

Gareth Evans
President
Brussels, September 2004

Executive Summary

Across southern Africa, the question of land use, ownership and access are of vital importance. In the region, the land question is rightly and invariably viewed in light of the tremendous historic injustice inflicted on black Africans during the colonial period. This is particularly the case in South Africa, Zimbabwe and Namibia, where white settlers seized prime land and pushed the indigenous black populations onto overcrowded and often inferior lands. White economic elites in the region were also often able to essentially codify their gains when they transferred political power to black majority rule.

The countries of southern Africa have utilised a variety of approaches in their efforts to redistribute land to a broader and more representative cross-section of their populations. These efforts have not been easy, and they entail significant costs, lingering racial tensions, fundamental questions of fairness, complicated international relationships and the rule of law. Purchasing land for redistribution can be enormously expensive, sometimes totalling billions of dollars. If handled poorly, land redistribution can sharply undercut agricultural production and badly shake international investor confidence. Equally clearly, simply transferring land to new black political and economic elites, or turning a blind eye to the gross economic disparities in these societies, will do little to help advance longer term national interests. It has been repeatedly demonstrated that a failure to grasp the nettle of land issues with foresight and fairness risks pushing a nation toward conflict.

This report, while acknowledging the importance of land across the whole of southern Africa, focuses largely on two countries that offer important insight into the land debate not only in the region, but across the globe: Zimbabwe and South Africa. While these cases are dramatically different in many respects, they are not without some commonalities, and both demonstrate the difficult political, economic and social choices entailed in the land debate.

ZIMBABWE

The History. Zimbabwe suffers from a long tradition of racially skewed patterns of land use and access. At the beginning of black majority rule in 1980, 6,000 large-scale white farmers controlled roughly 40 per cent of the country's territory. Some seven million blacks were crowded into largely

dry and infertile communal areas. Blacks suffered profound discrimination during the period of white minority rule, and land issues were a central concern of black liberation groups operating in Rhodesia.

The 1979 Lancaster House talks, which led to internationally recognised independence and established Zimbabwe's constitution, shaped many contours of the initial approach to the land issue. The Declaration of Rights provided the new government powers to compulsorily acquire underutilised land for resettlement purposes when prompt and adequate payment was made in foreign currency. The constitution also provided the right to exercise eminent domain, or expropriation, (with compensation) for a number of other purposes including "town and country planning". Subsequent redistribution would largely focus on trying to redistribute underutilised properties rather than establishing a comprehensive land use strategy. Maintenance of the status quo with regard to land appeared to be part of the price of independence, and both the United Kingdom and U.S. ultimately gave far less financial support for land redistribution than most of the parties at Lancaster House had envisaged.

Despite his frequent reliance on leftist rhetoric during the liberation struggle, Prime Minister (later President) Robert Mugabe adopted a conciliatory approach upon taking office, encouraging white farmers to remain an important part of Zimbabwe's economy. Mugabe was adamant that his government would neither nationalise companies nor seize private property, and his moderate stance was rewarded with considerable international financial aid. However, real estate prices remained depressed in the early 1980s, largely due to the uncertain political and security climate. In retrospect, this period was a lost opportunity, when considerable land was available at reasonable prices for potential redistribution.

The new government pursued a land redistribution program based on the willing seller, willing buyer principle of voluntary sales by owners and voluntary purchase by the government. During the early 1980s, Zimbabwe established upwardly revised targets for land redistribution and resettlement. In 1982, the government planned to resettle 162,000 families on 9 million hectares by 1985. Given the lack of planning, particularly with regard to support for relocated families, this was unrealistic. During this period, military adventurism by South Africa's apartheid government in the region fuelled tensions within Zimbabwe. The government of Zimbabwe launched a broad offensive against the Ndebele population in Matabeleland that produced widespread atrocities and 10,000 to 20,000 mostly civilian deaths.

Despite Matabeleland and other disturbances in the early and mid-1980s, white commercial farmers regained confidence, and commercial farming generated significant profits. Real estate prices began to climb around 1984. Many new white commercial farms emerged, as did a small

class of wealthy black farmers, many with ties to the ruling party, Zimbabwe African National Union-Patriotic Front (ZANU-PF). The resettlement of families displaced by the independence struggle had largely been completed, and growing stability reduced the availability of affordable land for additional policy purposes. The government, which had failed to put in place a systematic approach to overall agricultural policy, directly scaled back its commitments to land redistribution. The foreign exchange earned by white farmers became an integral part of the economic and political system, and in effect, white farmers were encouraged to make money and stay out of politics.

Toward the end of the first decade of majority rule, the British conducted a full evaluation of the government's land program: it concluded that redistribution was fundamentally worthwhile, but also revealed London's growing scepticism of Zimbabwe's administrative capabilities even as the UK was insisting on an overly bureaucratic farm-by-farm model of acquisition, planning and redistribution. More importantly, there were troubling signs that land distribution and access were being tilted to favour a new black elite – connected to the ZANU-PF leadership – able to take advantage of the lack of clear guidelines for the land reform program. Prompted by these concerns, the UK suspended disbursements to the first phase of the land program in 1989.

The 1990s were a lost decade for land programs. Political and economic crises succeeded one another, progress on redistribution largely ground to a halt and the Mugabe government increasingly relied on brinkmanship to maintain its hold on power. Government, donors and landowners all found convenient reasons for not making land redistribution a priority. Land policy discussions between Harare and London degenerated into squabbles about who bore primary responsibility for addressing inequities.

Despite international diplomatic pressure, Zimbabwe adopted constitutional amendments in 1990 and 1993 that made compulsory land acquisitions easier and freed the government from the willing seller, willing buyer formula. The government also increasingly emphasised the importance of economic returns in land redistributions, signalling a shift to favouring larger "capable farmers" rather than the landless poor. The constitutional amendments and a 1992 redraft of the Land Acquisition Act empowered the government to compulsorily acquire rural land in full use, not only underutilised properties. However, growing controversy dogged the land program, as it came to light that many prime beneficiaries of redistribution were senior government officials, including ministers and military officers, who received properties well below market value.

When a Labour government came to power in the UK in 1997, a sharp chill developed in British-Zimbabwean ties. While much has been

made of this, the following points must be made to put it in context. First, during the initial phases of land reform in the 1980s, a less cumbersome British approach to funding could have allowed far more land to be redistributed at a time when the Zimbabwean government actually seemed more committed to an equitable policy. Secondly, the sums spent by the British on redistribution were remarkably low given the historical benefit the British Empire gleaned from Rhodesia's fertile land. Thirdly, the sometimes bellicose language employed by British aid officials was counterproductive. Finally, however, the main share of blame for the deterioration of relations must be placed on the Mugabe government, which vacillated between ignoring the land issue and misusing it for partisan political gain. The practice of redistributing valuable land to ZANU-PF insiders also revealed an increasing corruption. The government's own funding priorities indicated that land was being used as a powerful tool to retain the loyalty of senior political and military officials.

In August 1997, President Mugabe promised large unbudgeted payments to liberation war veterans who had been outraged at the plundering of a war victim's compensation fund by high ZANU-PF officials. In November of the same year, 1,471 commercial farms were listed for compulsory acquisition. These factors helped trigger a severe economic crisis that was intensified by crushing foreign and domestic debt; investor concerns about threats to seize half the commercial farms; slumping commodity prices; a public angry with rising prices and corruption; fraying relations with the UK; and general alarm among international financial institutions. On 14 November 1997, the national currency lost half its value in a single trading day.

Between 1998 and early 2000, donors undertook a last ditch effort to salvage Zimbabwe's land policy. Amid a series of externally initiated negotiations, President Mugabe grew increasingly reactive and embraced a radical land reform agenda. While squatting had occurred periodically since independence, by mid-1998 thousands of blacks were camped on white-owned farms. The president's on-again, off-again insistence that the government would not pay "a penny" for newly acquired land played a key role in encouraging the occupations. Though some occupations may have been spontaneous, and the government occasionally threatened, and even carried out, evictions, "war veterans" and ZANU-PF party officials encouraged and physically facilitated squatting as a means to amplify pressure on farmers and the donor community while enriching themselves.

Despite an agreement struck at a 1998 UNDP-led donors conference on land policy, the situation continued to deteriorate. The majority of land redistribution beneficiaries were absentee landlords and ZANU-PF faithful with little farming experience. In the latter half of 1999, the Zimbabwean government released the list of the names of the "capable" indigenous

farmers who had received commercial leasehold farms during the 1990s; it showed that 272 farms had been allocated to top ruling party and government officials. There was also much international concern about Zimbabwe's largely mercenary role in a war in the Democratic Republic of Congo and demonstrable evidence that senior ZANU-PF and military officials were profiteering from diamond interests linked to the war.

In September 1999, the Movement for Democratic Change (MDC) was launched and quickly became the main opposition party. Political questions – a constitutional referendum and parliamentary elections – dominated the first half of 2000. ZANU-PF suffered a stinging defeat in its effort to push through constitutional revisions that, among numerous provisions, would have made it easier to seize land. This first major election loss suffered by ZANU-PF since independence dramatically altered the political landscape. With annual inflation now topping 70 per cent, frequent fuel shortages, a doubling of health care fees and unemployment around 50 per cent, public anger was considerable.

ZANU-PF reacted to the defeat by rushing a new constitutional amendment through parliament that freed the government from providing compensation to owners if properties were acquired for land reform. The legal basis for "fast track" procedures was put in place in May 2000 by amendments to the Land Acquisition Act, and farm occupations rose sharply. While the ZANU-PF did not engineer all of these occupations, the government was quick to take advantage of the process. Occupations have often been blamed on "war veterans", but those conducting the seizures were usually members of lightly-armed militias and included a range of government, parastatal and military personnel. Indeed, many of the alleged war veterans were far too young to have fought in the liberation struggle.

The Supreme Court ruled against the land occupations in March 2000, and courts directed police to assist with the evictions of squatters and ignore any countermanding directive from President Mugabe. Home Affairs Minister Dumiso Dabengwa said the farm invaders were threatening farmers and workers and obstructing cultivation, and requested that the occupations end. However, Mugabe overruled both the courts and his lands minister, telling squatters to ignore eviction orders. More than 400 farms were occupied in the wake of the government's referendum defeat, and more than 1,000 properties had experienced squatting by the time parliamentary elections were held in June 2000. Under the fast track program, the government proposed to redistribute some ten million hectares, mostly large-scale white farms, by December 2001. A select group of wealthy white land owners who directly supported ZANU-PF were spared, as were "indigenous commercial farms" and large farms leased from the government. As a result of the fast track program, Western donors suspended assistance for land redistribution.

The MDC fared well in June 2000 parliamentary elections, despite intimidation and gerrymandering. It captured 57 seats to ZANU-PF's 62, although the government's working majority was 35 (92-57) because of the president's prerogative to appoint a portion of seats in the legislature. ZANU-PF was left facing its most determined opposition since independence.

Despite the growing unrest and real concerns, particularly about refugees should its neighbour collapse, South Africa maintained quiet diplomacy with Zimbabwe. President Thabo Mbeki sought to contain, rather than resolve, the situation while ensuring that the ZANU-PF – a liberation party like his own ANC – retained power. This approach also grew out of the strong solidarity created between the liberation movements in southern Africa during the years of struggle. In addition, black South Africans were by and large sympathetic to the fundamental principle of land redistribution in Zimbabwe. Mbeki's preferred solution was not an election, or the MDC coming to power, but a government of national unity in which the MDC was subordinate.

Land seizures moved forward largely unabated. President Mugabe and ZANU-PF sought to accelerate them, silence the free media and undercut a judiciary that they viewed as too independent. Through 2001, the prospect of an internationally brokered deal on land reform cropped up repeatedly but, in retrospect, the Mugabe administration had already made the decision to "go it alone" and hence its approach to the negotiations was mostly an effort to limit international condemnation.

Critical food shortages soon developed and even previously patient institutions such as the World Bank openly suggested that only a political transition could get the country back on track. In August 2001, the UN World Food Program declared that Zimbabwe would soon face an exceptional food emergency. Hundreds of thousands of black farm workers and their families were soon out of work and often homeless due to the farm seizures and the collapse of commercial agriculture.

Late 2001 and early 2002 were dominated by presidential campaign manoeuvres. Repeated international attempts to negotiate a settlement failed to defuse the land problem or change the government's course. As the fast track program continued, the cost of the economic and political upheaval became increasingly evident in unprecedented inflation, a large national debt, an exodus of professionals and shortages of essential commodities. This came at a time when a rapidly decaying health system was struggling to deal with the HIV/AIDS pandemic. The food crisis and eviction of thousands of farm workers fed an environment of violence, intimidation and human rights abuses, while thousands of farms lay idle, and the best land was doled out to the ZANU-PF elite and urban residents.

ZANU-PF engaged in widespread violence and intimidation throughout the 2002 presidential election campaign. Almost all victims were MDC supporters. The election was marred by what was described as "slow motion" electoral theft, as the government deliberately slowed voting in urban areas that were MDC strongholds and disenfranchised large numbers of voters. Not surprisingly, President Mugabe secured re-election. Meanwhile, the IMF began moving forward with formal expulsion plans. Commonwealth leaders showed increasing frustration with the Mugabe government when they met in Abuja in December 2003. More developing nations were willing to back Zimbabwe's suspension from the Commonwealth, although Mugabe retained a core of support, particularly within southern Africa. On 8 December 2003, Zimbabwe withdrew from the Commonwealth, hours after its suspension was renewed by that group.

Zimbabwe's economy approached free fall. At the beginning of 2004, Zimbabwe had the highest inflation and the fastest shrinking economy globally. Corruption was rampant, as party officials exploited a parallel exchange rate. GDP shrank 13.6 per cent in 2003, foreign exchange reserves dwindled to a mere \$60 million and external debt reached \$4.1 billion.¹ Annual inflation peaked at 623 per cent in January 2004, before levelling off around a still staggeringly high 470 per cent in mid-2004. GDP was anticipated to fall slightly over 8.2 per cent in 2004, and another 3.1 per cent in 2005. More than 5 million people will likely need food aid in 2004. Dangerously, the government ordered a United Nations World Food Programme assessment team out of the country in May 2004, and President Mugabe and other senior officials made transparently false claims that Zimbabwe's agricultural production had recovered to earlier levels. Zimbabwe insisted that it no longer required food aid, despite compelling evidence to the contrary.

With the country under less intense scrutiny after the presidential election, international fatigue seemed to have set in. American and British diplomats appeared to feel that Mugabe was increasingly resistant to efforts to influence him, whether positively or negatively. The space for democratic expression continued to diminish, while the government and security forces appeared to remain committed to holding on to power at all costs. A brokered deal between ZANU-PF and the MDC leading to a transition government and eventual elections remains the preferred option, but its likelihood diminishes with time, and President Mugabe has given indications that he would like to remain in office until 2008. It appears that President Mugabe is more interested in manipulating a sizable ZANU-PF win in parliamentary elections tentatively scheduled for March 2005 than engaging in a credible dialogue with the MDC. Serious infighting within

¹ Unless otherwise noted, dollar figures in this report refer to the U.S. dollar.

the ZANU-PF also erupted during 2004 as the battle to succeed Mugabe gathered steam, and Mugabe looked to slow the political rise of rivals within his own party.

Land acquisition since 2000 has far exceeded the scope of any planning laid out in the 1980, 1991 and 1996 land policy documents. Indeed, by June 2004, the government was issuing contradictory statements on whether it intended to nationalise all land in Zimbabwe and totally eliminate private title in favour of government-issued leases. Zimbabwe's ill-conceived land efforts have sent shockwaves through an economy that will take years, and maybe decades, to recover. Agriculture had long been an engine of Zimbabwe's growth, and an ideal land redistribution program would have been implemented through a measured and controlled process that limited damage to food production and foreign exchange earnings. The current process, however, has spun out of control. It will be much more difficult to rebuild the agricultural economy than it has been to take it apart, and the scars from Zimbabwe's political violence and rampant corruption will likely linger for years to come.

Moving Forward. While a change in government will have to be the starting point if Zimbabwe is to emerge from crisis and credibly address the land issue, the international community should begin now to develop a program. Bringing in a variety of stakeholders is important, but there should not be an endless series of conferences and debates that bog down the process when a transition does occur. The overall design should create a more rational pattern of land use and a land market that is flexible and effective enough to maximise the entrepreneurial potential of Zimbabweans.

The complexity, scale and cost of such an effort should not be underestimated, as it has in the past. A responsible government will need coherent plans for freeing up the agricultural market and eliminating the high price of state-imposed planning.

Farms of all types and sizes will need substantial capital infusion during a transition phase. Even successful white commercial farmers have had many assets looted. They and black farmers who have been legitimately resettled will need help to re-establish themselves, especially access to capital. The importance of providing social and extension services cannot be underestimated. The failure to support land redistribution with such services, including health care and education, sent redistribution off track during the 1980s. Failure to learn this lesson would undermine any future effort.

Across the board, more flexibility in the design of farm sizes and an appreciation of the importance of farming skills are both necessary. Records relating to land will have to be regularised and a functioning system of administration re-built. These issues will require urgent attention, not only to allow reconstruction, but also to prevent future disputes. Without claims

resolution, little investment will occur, reconstruction will remain slow and social and political stability will remain at risk.

ZIMBABWE CONCLUSIONS AND RECOMMENDATIONS

Land Commission: Mandate

- ❑ The logical first step in moving the land process forward during a transition or post-transition period is to establish a Land Commission with a clear mandate, which is able to swing into action quickly. All parties should start planning its operations and earmarking funds so that significant action on land can immediately follow an eventual political settlement, whatever its form.
- ❑ The Commission should have a strong technocratic base and include a wide representation of Zimbabwean stakeholders. A special UN envoy, appointed by the Secretary General, should be detailed to the Commission to act as an observer and to help boost this body's administrative capacity.
- ❑ The Commission's mandate should be to:
 - conduct a comprehensive inventory of land, built around a determination of productivity, who holds what land, the status of redistributions, and compensation paid for leases and to owners;
 - organise land tribunals to mediate claims on the ground, with the help of considerable field staff;
 - incorporate broad public input through a series of town hall meetings on the topic;
 - develop a compensation formula for seized farms, recognising that 100 per cent compensation will not be possible;
 - develop new enterprises and lending expertise to new farmers, while establishing incentives for former farmers to return to their land (or smaller versions thereof); and
 - set the parameters of a new law to govern land reform procedures.

Disposition of Seized Commercial Farms

- ❑ Farms that are substantially underutilised and whose leases were acquired substantially below market value: these distributions should be declared unlawful, and the farms should be taken under control either for return to previous owners or, if the original owner is unwilling or unable to return, for further redistribution. Pending decisions on the allocation of such lands, such property would be vested in a statutory body – a National Land Trust – that would hold the farm until allocation decisions are made. Compensation for former

farmers, derived in part from assets seized from individuals associated with the current government, would be delivered on the basis of need, with the poorest commercial farmers given priority. Older former farmers could benefit from a pension package in lieu of a one-off financial compensation.

- ❑ Farms that are currently productive but were acquired substantially below market value: in these cases, the current occupants would need to add the difference between what they paid and fair market value if they wished to continue operations. If they refused, the land would revert to the National Land Trust either for return to the original owner or redistribution. If the previous owners did not receive compensation, they would be given a compensation package and expedited treatment to purchase new land.
- ❑ Farms that are being utilised and were acquired at fair market price paid to the government: these would be left alone. Previous owners should be compensated and given expedited option on a new farm.
- ❑ Farms acquired for fair market price but substantially underutilised: these (few) would be left with current owners, and former owners would receive a compensation package. If the current owners show no interest in farming, their leases might be suspended after a probationary period and eventually returned to the National Land Trust.

Distribution of A1 Plots (Small Subsistence Farms)²

- ❑ The past distribution of A1 plots, although deeply flawed in many cases, is probably best left alone.
- ❑ Past and future A1 redistributions should be treated as 'homesteads', whereby the government would hold the lease for ten years, after which if the resettled farmer was still on the land and had demonstrated capability, he or she would be given title and access to loans and other forms of capital.
- ❑ Farmers from communal areas and farm workers should be the primary beneficiaries of A1 redistributions. Farm workers, in particular, should be targeted for future A1 distributions, since they often have a good understanding of commercial agriculture and could become mid-sized holders under the right conditions. By using the ten-year homestead period, the government could ensure commitment to working the land, while making it more likely that the farmers might eventually be able to move beyond subsistence.

² For an explanation of A1 and A2 plots, see Chapter 6.

- ❑ In general, there should be a pattern of A1 distributions around larger existing commercial farms. This would allow A1 holders to emerge as contract farmers working in conjunction with established farms. By being co-located with commercial enterprises, these small farmers would also gain knowledge of the standards required to sell goods on the larger market. The phase-in of private title for small farmers clustered around larger commercial farms should encourage a more rational land market.
- ❑ A modest loan package should be made available upon receiving title, and substantial inputs of resources and services including health care, education, seeds, tools and fertilisers would be needed from both the government and the international community.

Distribution of A2 Plots (Larger Commercial Farming Properties)

- ❑ Zimbabwe should move toward more intense production from smaller plots. Future A2 distributions should use established farmers with larger properties to train and educate subsistence farmers clustered around them. In determining eligible candidates for A2 distributions, the emphasis should be on finding people who have the right skills to become successful farmers. Priority should be given to those willing to live and work on the farm and who do not hold substantial urban properties.
- ❑ Fair market prices should be paid for properties, although these might include long-term loans to some A2 recipients. The lands should be held under private title. If new A2 farmers default on loans or otherwise let their properties go derelict within a ten-year period, the government could reacquire the land and place it in the National Land Trust.
- ❑ New A2 farmers, and even some returning commercial farmers, should be eligible to receive capital and other inputs to get operations running again, given that many former commercial farms have been stripped of their assets. While the cost of such a land redistribution program would be substantial, donors are already spending hundreds of millions of dollars on emergency feeding programs. Getting Zimbabwe back on its feet is both cost effective and more desirable.

Grain Marketing Board

- ❑ The Grain Marketing Board should be phased out and replaced by a more modest body that would oversee a strategic national grain reserve. In managing this, priority should be given to buying crops from A1 farmers and other small producers.

Role of the International Community

- ❑ The international community should tighten sanctions until there is a political transition. The continuing omission of many families and business associates from the list of targeted senior officials has made the sanctions regime far too porous. A joint U.S.-EU task force, led by the U.S. Treasury Office of Foreign Asset Control and the UK Treasury International Financial Services Team, should better identify the flow of assets. The U.S. target list should include families of relevant officials, and any U.S. and EU accounting firms operating in the region should be required to annually document transactions involving listed individuals or entities.
- ❑ It would be helpful for the UK to acknowledge publicly its historical role in land inequalities within Zimbabwe and express willingness to lend financial and technical support to land reform under a transitional government. The UK should begin planning now for a four to six-month support program designed to promote rapid disbursements as soon as political conditions allow.
- ❑ The U.S. should lead the effort to provide resources for decentralised extension and social services to farming communities and farm workers hoping to return to work. These efforts should be undertaken in conjunction with other donors, notably the World Bank and the UN, who could lead the implementation phase.

SOUTH AFRICA

The History. Zimbabwe and South Africa differ in crucial respects. South Africa has the largest population in the region and the most developed economy on the continent, accounting for nearly half the GDP of sub-Saharan Africa. The likelihood of a Zimbabwe-style rural land grab in the foreseeable future is low. Nevertheless, the land issue remains politically explosive, not least because levels of land dispossession over the last century-and-a-half rival those anywhere in the world. Apartheid was driven in large part by land-related motives, as was the colonial system before it. Land expropriation was the central tool of social control and economic subjugation.

As apartheid ended a decade ago, there was general acceptance that it was politically unsustainable for 87 per cent of the land to remain in the hands of whites, who comprised roughly 10 per cent of the population. This historical inequity was further dramatised by the contrast between the high-input commercial farms of 50,000 whites, and the subsistence livelihoods being scratched out by a third of the country's population on the

impoverished former homelands. How that would be transformed has been the subject of debate ever since.

To their credit, the administrations of Nelson Mandela and Thabo Mbeki have undertaken a substantial land reform program that is rooted in the rule of law and has not alienated large-scale farmers or foreign investors. They have passed laws to protect the rights of farm workers and farm dwellers and attempted to decentralise administration of the land reform process. Recently, efforts have been made to accelerate redistribution and restitution programs. However, the vast majority of land remains in the hands of white commercial farmers and a few black commercial farmers. The first post-apartheid decade has seen the transfer of no more than 3 per cent of total agricultural land to blacks. On present projections, there is little prospect of transferring 30 per cent of agricultural lands to blacks by 2015, as some figures in government have cited as a goal. Tenure rights on commercial farms and in communal areas remain precarious for the vast majority of inhabitants.

If more is not done – or perceived to be done – the land question will inevitably become a larger political issue linked to widespread dissatisfaction over employment, poverty and housing. This is especially true in the former homelands, where holdings are contracting because of environmental degradation and demographic pressure.

If South Africa is to achieve its stated goal of 30 per cent agricultural land redistribution by 2015, it will need to commit much larger resources: for staffing and administration, land purchases, dispute adjudication and post-transfer support. It will have to accelerate the pace of transfers significantly and make difficult political choices.

Violence on farms and in rural areas remains unacceptably high, and the potential for future conflict is significant. Land conflict takes many forms, from urban squatting to rural farm violence and occupations. Although there are tensions within the tripartite governing coalition and with civil society, the ANC is not likely to be challenged by a significant political opposition in the foreseeable future, as was demonstrated by its sweeping victory in the April 2004 national election. The ANC's record in government has been responsible, particularly on economic policy. The party that most obviously has land as its organising issue is the very weak Pan African Congress.

There are three elements of the land reform program: restitution, redistribution and tenure reform. South Africa has made progress in formally settling restitution claims – the process is more than half completed, although those still outstanding are primarily the more complex and costly rural claims. Land redistribution is slowly accelerating, although the last fiscal year was the first since 1994 in which the budget for land redistribution constrained delivery. Over \$67 million in prepared projects

could not be processed, more than the annual budget of \$58 million. Tenure reform in the former homelands has not made significant progress, largely due to reluctance to squarely confront the division of power between the state and traditional authorities. Serious shortcomings in public administration and staffing also remain, including problems in joint budgeting, planning, implementation and delivery of integrated public services as a whole. Legislation to protect farm workers and labour tenants has had little impact on illegal evictions because there is insufficient support to implement it. A law designed to secure the land rights of those using and occupying land in the former homelands has been introduced in parliament to severe criticism from a number of constituencies.

Making Land Reform Work. The reform issue has been clouded by debates about the merits of "black empowerment" versus "land for the landless poor", largely obscuring the fact that in South Africa's extremely diverse agricultural sector these are not mutually incompatible objectives. In fact, both are essential for a more sustainable rural economy. If only the former were pursued, it could make real changes in ownership of commercial agricultural assets but would leave relatively untouched the central injustice of the colonial and apartheid eras: millions of landless South Africans with little hope of improving their livelihoods in either the rural areas or the cities. At present, many people simply pass from one area to the other.

The government will need to prioritise assistance to the landless and other poorer segments of society, especially those in the former homelands, so that they can become small farmers, particularly through land redistribution. De facto exclusion of many potential small farmers from current land reform efforts undercuts social justice and equity imperatives, undermines poverty alleviation and job creation agendas, and leaves dormant a potential segment of the population that could contribute greatly to economic growth and development. Efforts can be targeted to areas where violence is most prevalent or likely, such as KwaZulu-Natal and Mpumalanga, and elsewhere where rural poverty is deepest, such as Limpopo and the Eastern Cape. This should not be at the expense of support for newly emergent black commercial farmers, who are critical to change in the overall structure of asset ownership.

SOUTH AFRICA CONCLUSIONS AND RECOMMENDATIONS

South African Government

- Particularly for rural restitution claims still to be addressed, efforts should be made to provide in any package either suitable land for small-scale production and housing, a public works job, education or credit for micro-enterprise activity. Less emphasis should be placed on cash settlements.

- ❑ Increased support for the redistribution program should be made available. Given the flexibility of the subsidy system on which it is based, the redistribution program can accommodate a wide variety of models, including partnerships and joint ventures between white commercial farmers and new land reform beneficiaries. The program should include innovative approaches such as contract farming, share-equity schemes and municipal schemes, sharecropping, company-supported programs and other training strategies, as long as land is actually and directly transferred to the beneficiaries. Support for joint ventures must be linked to more stringent criteria and more systematic monitoring.
- ❑ Land reform beneficiaries should receive support on production and marketing, for example on livestock rearing, horticulture, and organic fruits and vegetables, as well as production of staple crops for subsistence. They also should receive greater access to the land market, for example through a program that provides incentives for large-scale farmers to subdivide their properties, such as a tax on farms above a certain size. Eminent domain, or expropriation – in accordance with the constitution – should be used in some cases to encourage greater cooperation by landowners. The above mentioned new tax should be calibrated to penalise those who hold large tracts of unused land for speculative purposes. Rates should be set within the tax according to agro-climatic region to take account of natural productivity differentials.
- ❑ Innovation should be encouraged by making resources available for pilot projects and new models for land acquisition, as well as for transfer and support for land use.
- ❑ Given the enormous impact of the HIV/AIDS pandemic on land reform, ensure that victims of the disease are given access to land reform programs, support land reform beneficiaries with HIV/AIDS so they can remain productive and target prevention and treatment efforts on beneficiaries. Inheritance laws must protect and give ownership rights to women whose husbands die of AIDS (and widows in general).
- ❑ Improve planning, coordination and staffing for land reform efforts. In particular, ensure that many more qualified personnel are recruited, trained, deployed and – most importantly – retained for the various government entities involved in land reform.
- ❑ Revive and support the Municipal Commonage program, a promising, but underutilised, means of making state land accessible to poorer South Africans on a lease basis.

- ❑ Relevant government departments, in coordination with interested stakeholders, should seek to amend the current Integrated Sustainable Rural Development Program to take into account the poverty alleviation, food security and job creation potential of land reform.
- ❑ Build on the Communal Rights Land Act, passed by parliament in February 2004, with the aim of eventually having a land administration system in the communal areas. This involves ensuring that there are legal protections against uncompensated evictions; assurances that housing can be improved on location; guidelines for property inheritance; a framework for selling or transferring land; proper government services such as sanitation, water, electricity, roads, schools and clinics; a system of administering property rights; and a means to address property disputes.
- ❑ Prioritise inclusion of women in restitution and redistribution initiatives and ensure that their land rights are more secure in tenure reform efforts, particularly by strengthening community access to communally owned land.
- ❑ Perhaps most importantly, increase significantly the land reform budget. Countless projects are unfunded and delayed, leaving the overall program less credible. The Land Bank and Department of Land Affairs' provincial land reform offices should be more fully funded to help potential smallholders purchase and manage land. The government should also provide more resources for and better organise post-transfer support of beneficiaries. Departments should work together to create a joint approach so that beneficiaries can submit one proposal to be co-financed and supported by a range of programs, rather than have to apply to each program separately.
- ❑ Engage representatives of civil society – farmers and farm workers unions, landless people, NGOs, commercial banks, research bodies and traditional chiefs – in an enhanced dialogue regarding national land policy. This could most helpfully take place in the context of the "Land Summit" called for by land advocacy NGOs and agreed to by the government. Enhancing and accelerating the delivery and impact of the current program will require more public debate, a stronger consensus on a vision for land reform and a more intensive partnership between government, farmers, landless advocacy groups, civil society and donors. A comprehensive rural development strategy is essential for improving and accelerating land reform.
- ❑ Recognise that the principal constraint to land reform continues to be inadequate commitment by the government, and that South Africa must decide to give a higher priority to this issue. Otherwise, violence fuelled by inequality and unfulfilled expectations could become a

much larger factor in its future, as the emotive issue of land becomes linked to dissatisfaction over the country's basic ills: unemployment and poverty.

South African Civil Society

- ❑ Build more cooperative working relations with government, campaign for a thoroughgoing review of national land reform policy and work constructively with government in any review that might occur.
- ❑ Channel lessons learned from civil society review and evaluation into the public debate by making specific recommendations aimed at enhancing existing land reform efforts and champion innovative approaches – a kind of learning-by-action process that is urgently needed to provide fresh momentum and inform new policy directions.

South African Commercial Farmers and Multinational Agribusiness

- ❑ Make much more land available for purchase at reasonable prices, with government more directly involved in the valuation process, which would enable greater numbers of smaller farmers to benefit from redistribution.
- ❑ Give more support to joint ventures and more post-transfer help to land reform beneficiaries.

South Africa's Donors

- ❑ Form a partnership with the government on shared objectives related to equity, poverty alleviation and economic development and, in that context, provide increased resources for its land reform efforts.
- ❑ Provide budget support to the land redistribution program for land acquisitions, particularly for small farmer initiatives.
- ❑ Help build capacity for land reform by assisting in improving staffing for relevant departments at the national and provincial level.
- ❑ Assist establishment of a forum in which land reform policy can be subjected to ongoing review, built on an improved monitoring and evaluation system.