Agrarian reform and the ‘two economies’: transforming South Africa’s countryside

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Abstract

This chapter focuses on the rural dimensions of the ‘two economies’ debate, and in particular on the question of what contribution land and agrarian reform can make to reducing inequality and addressing the structural nature of rural poverty in post-apartheid South Africa. It suggests that the problem needs to be conceptualised in terms of an ‘agrarian question of the dispossessed’, that can only be resolved through a wide-ranging agrarian reform. This must include the redistribution of land and the securing of land rights, but go beyond land questions and aim to restructure rural economic space, property regimes and socio-political relations. This approach is premised on the potential for ‘accumulation from below’ in both agricultural and non-agricultural forms of petty commodity production, and expanded opportunities for multiple livelihood strategies. The chapter suggests five core propositions as a possible basis for rethinking land and agrarian reform policies and programmes.

Introduction

South Africa’s new democracy has made tremendous strides in its first decade, as a host of ten year reviews have pointed out. But continuing poverty and inequality undermine these gains; some see it as ‘a crisis, and perhaps even a threat to survival’ (Gelb, cited in SALB, 2004). We continue to live in one of the most unequal societies on earth, albeit one in which inequality does not coincide with race as closely as it did in the past. The continuing co-existence of economic growth and structural poverty poses challenges to how we understand the problem, and even greater challenges to policy makers charged with constructing a developmental path that results in rising incomes for all.

President Mbeki has recently characterised the developmental challenge in terms of connecting and integrating the ‘two economies’ of the modern industrial, mining, agricultural, financial and services sector, on the one hand, and the ‘third world economy’ found in those urban and rural areas where the majority of poor people live (Mbeki 2004: 10-11). He suggests that the two economies are ‘structurally disconnected’, which means that economic growth in the ‘first economy’ does not automatically benefit those in the ‘second economy’, and that integration will require ‘sustained government intervention’, including resource transfers and the infusion of capital (ibid: 11). Agrarian reform and the integrated rural development programme
are included in the list of government strategies to ‘meet the growth and development challenges of the Second Economy’ (ibid: 11).

But are there really two economies, and is the challenge to integrate the two? Some analysts suggest that poverty is caused by structures of inequality within one economy that is already integrated, but in ways that disadvantage the majority (Magketla 2004; Terreblanche 2002). If this is a more appropriate model, then, to use President Mbeki’s oft-quoted analogy, the solution lies not in building ladders between the lower and the upper storeys of the two-tiered house, but rather in rebuilding the house, according to a new set of architectural plans. In other words, it may be that the apparently successful policies pursued within the ‘first economy’ are the same policies that create structural disadvantage in the ‘second’, and thus need to be questioned.

As Andries du Toit (2004: 11) puts it:

... powerful and suggestive as the metaphor of a separate ‘third world economy’ is, it is not a helpful way to understand the very complex actual relationships that persist between the highly developed ‘core’ of the South African economy and its underdeveloped and impoverished periphery. Shack dwellers in Khayelitsha, seasonal farm workers in Ceres, and villagers in Mt Frere cannot be meaningfully described as being ‘excluded’ from the SA economy: their impoverishment, on the contrary, is directly linked to the dynamics of 150 or more years of forcible incorporation into the economy and racialised capitalism. Indeed, it may well be that many of the obstacles to accumulation from below among poor people are linked very closely to the depth of corporate penetration of the economy as a whole...

This paper focuses on the rural dimensions of the ‘two economies’ debate, and in particular on the question of what contribution land and agrarian reform can make to reducing inequality and the structural nature of rural poverty in post-apartheid South Africa. It suggests that the problem of rural poverty needs to be conceptualised in terms of an agrarian question of the dispossessed, that can only be resolved through a wide-ranging agrarian reform that must include the redistribution of land and the securing of land rights, but must go beyond land questions and restructure the agrarian political economy as a whole. A further implication is that such restructuring is unlikely to succeed if restricted to the rural sector; it will only be feasible if it forms part of a broader shift in national policies and programmes aimed at addressing the structural causes of poverty.

The context: poverty and inequality in South Africa

Since 1994 inflation has stabilized and moderate economic growth (1 to 3 percent per year) has occurred. There have been substantial improvements in the provision of infrastructure and social services, such as clean water for 8 million people, electricity for 1.5 million households, and free medical services to all pregnant women and children under the age of seven (de Swardt, 2003). The provision of grants (eg. old age pensions, child support) has risen steadily, and more people would be below the poverty line without them.
Despite these achievements, there is compelling evidence that structural poverty is worsening. Unemployment has risen rapidly, from 16 percent in 1995, escalating to 29 percent in 2002, but if those who are too discouraged to continue to actively seek work are included, the figure rises to over 40 percent. Employers have increasingly chosen capital- rather than labour-intensive techniques to improve competitiveness and there has been a dramatic decrease of employment in the semi-skilled mining and commercial farming sectors. Between 45 and 55 percent of all South Africans presently live in poverty. Rural poverty is a major problem, as over 70 percent of all poor people reside in rural areas and nearly half of these are chronically poor (Aliber, 2003).

As in the rest of the region, the HIV/AIDS pandemic is contributing to continued vulnerability and impoverishment. Currently around 4.2 million people (and 20 percent of adults) are infected with the HIV virus. Without effective measures to prevent AIDS, the number of cumulative deaths is expected to grow to about 6 million in South Africa by 2010, which will result in more than one million AIDS orphants by that year (de Swardt, 2003: 45).

Seekings and Nattrass (2002) suggest that class divisions are becoming more important than race in the dynamics of poverty. The emerging class structure consists of an increasingly multi-racial upper class (corporate elites plus professional and managerial groups); a ‘middle’ group of mostly urban, employed workers; and a marginalized group of farm and domestic workers plus the unemployed with little income from assets or entrepreneurial activities (the ‘underclass’). The upper class comprise 12 percent of the population but earn 45 percent of all income; the middle group comprise 48 percent of the population and earn 45 percent of income, and the marginalised comprise 40 percent of the total but earn only 10 percent of income. The ‘underclass’ makes up 28 percent of the total population. Contemporary inequality is no longer primarily inter-racial, but intra-racial, ‘driven by two income gaps: between an increasingly multi-racial middle class and the rest, and between the African urban industrial working class and the African unemployed and marginalised poor’ (ibid: 25).

To reduce inequality while ensuring growth in income, Seekings and Nattrass recommend a ‘social democratic policy agenda’, aimed at sustained job creation (including low-wage, labour-intensive employment), improvements in education, ‘democracy deepening asset redistribution’ (worker ownership of firms plus land reform), and welfare reform. Others also argue for a large-scale redistribution of productive assets, in concert with a range of other policies such as skills development and infrastructure development (de Swardt, 2003:18; Terreblanche, 2002: 466; Makgetla and van Meelis, 2003: 103). For May et al (2004: 20), a ‘fundamental rethinking of economic strategy may be required’, involving stronger linkages between macroeconomic and microeconomic reforms, the latter including ‘measures that improve the access of the poor to productive assets such as land reform, infrastructure and financial services’.

**South African land reform since 1994 – progress and problems**

As illustrated above, economic policy analysts are beginning to suggest that land reform could form a central thrust of government’s anti-poverty strategy, and recent
government rhetoric implies that it should be seen in this light. Policy statements now portray land and agrarian reform, as well as the black economic empowerment charter for the agricultural sector (Agri-BEE) as part of a strategy to integrate the second economy into the first. However, land reform policies as presently conceived are unlikely to achieve their current targets, or to reduce rural poverty. Key weaknesses of these policies and the slow progress in implementing them are analysed in detail in Halls’ chapter in this book.

One reason the impact why land reform is barely impacting on poverty is because it is chronically under-funded (Hall and Lahiff 2004). Between 1994 and 2004 the Department of Land Affairs (DLA) received no more than 0.5% of the national budget, and only in 2005 did this increase to around 1.0%. By August 2004 it had transferred a total of only 4.2% of commercial agricultural land, through all three sub-programmes taken together - restitution, redistribution and tenure reform (PLAAS 2004). This compares to a target of 30% of agricultural land, originally by 1999, and now by 2014.

A major weakness in both land redistribution and restitution programmes is in relation to post-transfer support for beneficiaries. Inadequate resources have thus far been devoted to such support; the recent announcement of a Comprehensive Agricultural Support Programme is encouraging, but its budget allocation is still small (R200 million in the first year) and the thrust and content of the programme is still unclear. In addition, land reform projects are poorly integrated into the development plans of local government bodies (Hall et al 2005).

The tenure reform component has been particularly slow to produce real change in the lives of rural people. Government is now preparing to implement the Communal Land Rights Act of 2004, amid continuing controversy over the increased powers of traditional leaders in land administration, the wide discretionary powers accorded the Minister, the inadequacy of measures to enable gender equity, and whether or not the Act gives expression to the constitutional requirement for tenure security. It is likely that the Act will be challenged in the Constitutional Court before implementation begins on a large scale. Tenure legislation to protect the rights of farm workers, labour tenants and farm dwellers has been on the books since 1996/97, but has had only limited success in preventing evictions from farms, and even less in assisting people in these highly vulnerable groupings to acquire land in their own right (Hall 2003b).

Capacity constraints are common in land reform programmes (Adams 2000; Adams and Howell 2001), and South Africa has been no exception. The Department of Land Affairs employs relatively few professionals relative to the magnitude of the task, has suffered from exceptionally high rates of staff turnover, and has struggled to provide its staff with appropriate skills. These problems have been exacerbated by the fact that the three main sub-programmes of land reform are poorly integrated, and the potential for synergies between them have rarely been exploited.

The problems surrounding South Africa’s land reform programme would not be resolved even were it better funded and the relevant agencies adequately staffed, since many of the fundamentals of the policy framework are ill-suited to the goal of poverty reduction. As characterised by Hall et al (2003: 32-33), defining features of policy to date have been ‘a gradual and modest redistribution of land through consensual,
market-based methods’; a ‘clear shift away from a programme aimed at the rural poor and landless to one aimed at the creation of a new class of commercial farmers’; non-interference with existing property rights (most evident in the ‘willing seller-willing buyer’ approach to land acquisition); and the failure to integrate land reform into a broader programme of rural development, together with a general neglect of post-transfer support. As Hall et al conclude:

The implementation of a comprehensive agrarian reform that transforms the commercial agricultural sector, addresses the dualism of freehold and communal areas and provides livelihood opportunities for the mass of the rural poor and landless remains a major challenge for the country.… The time is ripe for some radical rethinking… (ibid: 33).

A key issue, however, is how committed the ANC-government is to land and agrarian reform, and thus the political feasibility of a more radical approach. This is discussed in more detail below.

South Africa’s agrarian question revisited

Answers flow from questions, solutions from the manner in which a problem is formulated. Theory is important in formulating questions and problems. This paper suggests that the most appropriate analytical framework for understanding the ongoing production of poverty in South Africa’s ‘integrated but unequal economy’ is one drawn from materialist political economy, and in relation to the rural areas, from an analysis of the ‘agrarian question of the dispossessed’. My thinking on these issues has been strongly influenced by the work of Henry Bernstein (see his chapter in this book). Only a few key elements of this approach are summarised here, to provide a basis for the arguments developed in the rest of the chapter.

Agrarian questions of capital and of the dispossessed

The classical agrarian question was concerned with the transition to capitalism, both within agriculture and in the mechanisms through which agricultural development contributes to industrialization. The agrarian question of capital is resolved when transitions to capitalist agriculture and industry are complete (Bernstein 1996; Byres 1991). But there is not just one pathway through this transition – both its character and the outcomes are shaped by class relations and struggles, depending on the strength of contending interests of landed property and agrarian capital, agricultural labour in a variety of forms (including tenant peasants), and emerging industrial capital. State policies and interventions also influence agrarian transformation.

Byres (1991), following Lenin, describes two broad alternative pathways: (a) ‘accumulation from above’, the Prussian or Junker path, in which pre-capitalist land owners are transformed into agrarian capitalists. This occurred in parts of Latin America, northern India and South Africa, as well as in 19th century Germany; (b) ‘accumulation from below’, or the American path, where conditions for petty commodity production are established and a fully capitalist agriculture emerges through class differentiation of peasants and other kinds of small producers.
More recently, Bernstein (2004) has suggested a reconsideration of the classical view of the agrarian question under the conditions of contemporary capitalism. On the one hand, capitalist development imposes a particular logic of social change and agrarian transition on pre-capitalist social formations; on the other, its uneven development on a world scale means that this logic is not realised in the same manner, or to the same degree, everywhere. The persistence or reconfiguration of pre-capitalist formations may continue to be a barrier to capitalist transformation, and the international division of labour and modes of functioning of international capital may alter the trajectory and forms of the transition, and render it ‘incomplete’.

Bernstein concludes that given the massive development of the productive forces in capitalist agriculture, the agrarian question is no longer significant for capitalist industrialisation: “… there is no longer an agrarian question of capital on a world scale, even when the agrarian question – as a basis of national accumulation and industrialization – has not been resolved in many countries of the ‘South’…” (ibid: 202).

The reverse side of the thesis that globalisation is a new phase in the concentration, centralisation and mobility of capital is that it intensifies the fragmentation of labour (Bernstein 2004: 204). Labour pursues its reproduction in conditions of ever more insecure wage employment combined with ‘informal sector’ and survivalist activity, across a range of sites: urban and rural, agricultural and non-agricultural, wage and self-employment. Fragmentation and its consequences, allied with collective demands and actions for greater stability and security of livelihoods, drives many contemporary struggles over land, which for Bernstein indicates the emergence of an agrarian question of labour.

In relation to South Africa, Bernstein (1996) suggests that the agrarian question is both ‘extreme and exceptional’. He argues that in the past the central place within the social and political order of white commercial farmer interests resulted in policies that promoted cheap agricultural labour, provided extensive subsidies and installed a bureaucratic regime to regulate production, distribution and trade in the interests of agricultural capital. The concentration, scale, and productive capacity of capitalist agriculture in South Africa is clear evidence that the agrarian question of capital has by now been resolved, via ‘accumulation from above’. Market liberalization in the 1980’s eroded these ‘Prussian’ features to a certain extent (eg. casualisation and outsourcing of labour supplies, and private forms of regulation within globalising agro-food regimes), but did not fundamentally alter the distribution of power and resources within the sector.

The agrarian question of capital, however, is only one side of the coin; on the other, the agrarian question of the dispossessed (or of labour) has not yet been resolved. Structural unemployment, poverty, food insecurity, land hunger and continued rule by chiefs mean that the struggle for democracy, and against oppression and exploitation, continues. The agenda of the incomplete agrarian question is to contest the monopolistic privileges of white/corporate farming, and of chiefly/bureaucratic elites in former ‘homelands’, and create the conditions for more diverse forms of commodity production, ie. ‘accumulation from below’ – always recognising that this will involve processes of class differentiation.
Stereotypes of small scale agriculture

The radical restructuring of agrarian relations does not appear to be on South Africa’s policy agenda just yet. This is partly the result of lobbying and advocacy by the most effective arm of ‘organised agriculture’, Agri-SA, which has developed a close relationship with the highest echelons of government. Conservative policy stances are also influenced by somewhat stereotyped understandings of agricultural development promoted by both the commercial farming lobby and by agricultural economists, and embraced by many ANC policy makers. This view can be summarised as follows:

- Only commercial agriculture is *real* agriculture, and thus successful small scale farming must be a scaled down version of the market-oriented, technologically sophisticated and profit-maximizing commercial farmers
- ‘Subsistence farmers’ survive as relics of the era of deliberate under-development (colonialism, apartheid), have been deprived of scientific knowledge, are inefficient and unproductive, and use farming methods which degrade the environment
- In the former reserves (now ‘communal areas’) even farming households have access to only small plots; many people are no longer farmers or even aspire to be such
- Communal tenure systems contribute to low levels of productivity because they provide inadequate security of tenure and prevent the use of land as collateral for bank loans
- Economic development inevitably involves a decline in the rural population, urbanization, and a shift from agriculture to industry
- Rural poverty in Africa will only be addressed when large numbers of rural people relocate to urban areas to engage in either formal sector wage employment or informal sector self-employment
- Land reform programmes that redistribute commercial farm land to inefficient subsistence producers, or to people not really interested in farming, have at best a welfare function, and transfer a scarce resource to those least able to make productive use of it
- Appropriate land reform in Southern Africa should focus on de-racialising commercial agriculture, and lowering entry barriers to small-scale producers who are fully market-oriented.

Against this perspective a number of counter-arguments, with extensive supporting evidence, can be mounted, asserting (a) the social inefficiency of large scale commercial farming, in terms of land use in particular (Moyo 1995; Weiner 1988; Levin and Weiner 1997); and (b) the under-acknowledged productivity of communal area farming systems (McAllister 2000; Shackleton et al 2000; 2001). At present, however, a deep scepticism prevails in relation to the contribution of rural areas and agriculture in general, and of smallholder production in particular, to national economic development.

What is its origin? Is this simply an issue of inherited bias and prejudice, originating from a history of discriminatory dualistic policies? Alternatively, is this view nothing other than a fairly unadulterated (but reborn) version of ‘modernisation’? It is tempting to dismiss South African scepticism in relation to smallholder production as stereotyped, over-simplistic and unhelpful.
We should however, also take note of analysts such as Bryceson (2000) who point to profound transformations in livelihood systems in Africa over the past two decades. Many were set in motion by Structural Adjustment Programmes (SAPs), the removal of agricultural subsidies and the dismantling of parastatal marketing boards. The terms of trade for many agricultural export crops have declined, and many small-scale producers have shifted out of commercial crops (Raikes and Gibbon 2000). SAPs have also resulted in a rise in cash needs as subsidies have been removed from education and health. In response, many households have shifted to non-agricultural income sources, and diversified their livelihood strategies. Individualization of economic activity has begun to dissolve household ties and internal divisions of labour. Globalisation of the agro-food sector in Africa has led to increasing levels of class differentiation as small farmers sell or rent their land to successful larger farmers able to link into the new commodity chains (see also Bernstein 2004). Byceson refers to these transformations as ‘de-peasantisation’, but notes that “African rural dwellers … deeply value the pursuit of farming activities. Food self-provisioning is gaining in importance against a backdrop of food price inflation and proliferating cash needs” (ibid: 5).

In South Africa, of course, ‘de-peasantisation’ was deliberately engineered, a key component of segregationist and apartheid policies pursued by the state and capital from the early 20th century. As noted above, it has resulted in a structural disadvantage with deep historical roots. Both in South Africa and more widely in Africa, therefore, ‘rural scepticism’ is the result of more than simply bias and a misreading of needs and opportunities; it arises in part from real changes that have been wrought in the character of rural livelihoods, and are still in process. This means that arguments for broad-based land reform and agricultural development ‘from below’ must take account of these larger realities and processes, and show how they can be challenged, and thus how reality can be changed. This is more difficult and challenging than arguing against misrepresentation and bias. The arguments are only partly about the ‘facts’ – they are also about possibilities.

These alternative realities should be the real focus of debate, given the fact that poverty continues to deepen, that the bulk of the rural population, in South Africa as elsewhere, is becoming ‘increasingly redundant’ (Bryceson 2000: 187), and that without real change the likely future of many rural areas is to become ‘reserves of poor migrant labour pools’ (Kydd et al 2000: 2). In other words, to connect to Bernstein’s views as summarised above, we return to the agrarian question of the dispossessed.

Agriculture and land-based livelihoods in the contemporary agrarian question

Before attempting to change reality, it is as well to try to understand it. How important is agriculture in the livelihoods of rural South Africans today? In most discussions of the agrarian question there is a primary emphasis on farming, which has obscured to a certain extent the reality of increasing reliance on non-agricultural livelihoods, including natural resource harvesting and processing. These need to be integrated more centrally into both analysis and proposals for agrarian reform. In South Africa the diversity of livelihood strategies has arisen in part as a response to dispossession, overcrowding and landlessness in the former ‘homelands’. Although
70 percent of the population in these areas have access to land, for more than 50 percent of this group, land size is less than 1ha (Statistics South Africa 1998). In these circumstances, reliance on farming alone is not an option for most rural people at present.

Research reveals that the rural population is not homogeneous, but socially and economically differentiated, and different strata within rural communities assemble different bundles of livelihood strategies (May 2000; Levin et al 1997). Many depend on multiple livelihood sources, including agriculture at different scales, formal employment, remittances, welfare transfers such as pensions, and micro-enterprises. As Weiner et al (1997: 51) emphasize, dependence on pensions is often over-stated, and ‘the dominance of wages and pensions … must not be used to understate (or ignore) the importance of alternative income earning strategies such as selling (crafts, fruits and vegetables), brick building, construction, and trading’. In addition, harvesting of natural resources such as medicinal plants, fuel wood or wild foods (mostly from communal rangelands), and their consumption, sale or further processing, have been underestimated or ignored in the past, but play a key role in the livelihoods of many rural households (Shackleton et al 2000; Kepe 1997).

Small plot agriculture remains important for most rural households, mostly for domestic consumption, and is often located in large ‘gardens’ adjacent to homesteads rather than in more distant fields (Andrew and Fox 2004; Ardington and Lund 1996; McAllister 2000; May 2000; Shackleton et al 2000; Weiner et al 1997). As noted above, around 70 percent of households in the former reserves are engaged in some form of crop production. Participation in this form of production is highly gendered, with women taking major responsibility for it as one aspect of domestic reproduction.

At the other end of the spectrum, there is also a small but important class of emergent capitalist and petty commodity producers in black rural areas (Bernstein 1996; May 2000; Murray 1996). They formed the National African Farmer’s Union in the early 1990s and have been pressing government for land reform policies that will enable them to acquire land, credit and support services. However, their primary economic activity is often not farming, but a small business enterprise such as a transport company, a trading store or a butchery (Murray 1996). Small-scale agriculture in South Africa is thus highly differentiated in terms of the class identity of producers (Levin et al 1997).

The continuing importance of land-based livelihoods but the real difficulties of relying solely on them, results in the rural poor being squeezed from both ends. Increased dependence on consumption items, including food, means that rising prices put pressure on disposal income; high levels of unemployment mean non-agricultural incomes are often reduced; and the economics of crop production in the rural periphery means that agriculture cannot be the sole means of livelihood. The articulation of rural and non-rural activities and income streams is weakened by the ‘redundancy’ of the rural poor within struggling capitalist economies, leading to a crisis of social reproduction.

*Reformulating the agrarian question in SA*
A reconsideration of the agrarian question in post-apartheid South Africa requires us to frame it in terms of contemporary realities of structural poverty. The linkages between rural and land-based livelihoods and formal and informal jobs in small towns and urban areas are still important but massive job shedding from the core economy means that contradictory trends are evident. On the one hand, the functional articulation of wage income and rural production is reduced, and people look to farming or natural resource harvesting as sources of livelihood. On the other hand, cash is still needed for the purchase of agricultural inputs and assets such as livestock, and when asked why they don’t plant more crops, rural people often reply – ‘because we have no money from a job’. Many rural people are now neither ‘workers’ nor ‘peasants’ nor a hybrid of the two, but an under-class with an uncertain future, or what Breman (1996) terms ‘footloose labour’ (cited in Bernstein 2004: 205).

The agrarian question of the dispossessed thus revolves around the constituting of a class of emergent petty commodity producers from within the ranks of the desperately poor. It cannot be constituted on the basis of production in agriculture alone, given the density of settlement and population-resource ratios in the countryside, as well as the difficulties faced by the agricultural sector as a whole. ‘Multiple livelihood’ forms of petty commodity production, articulated with wage labour in many instances, will have to be created, both within and beyond the borders of the former homelands, and in urban and semi-urban zones as well as in deep rural areas. The rallying cry for this emerging class could be ‘accumulation from below, not above!’ (Neocosmos 1993). The close connections between the urban and rural sites in which households constitute and reconstitute themselves mean that these livelihoods and forms of production will have a hybrid character, combining the ‘urban in the rural’ and the ‘rural in the urban’ (Mamdani 1996).

Towards agrarian reform

Land reform must be clearly distinguished from agrarian reform. The former is concerned with rights in land, and their character, strength and distribution, while the latter focuses not only on these but also a broader set of issues: the class character of the relations of production and distribution in farming and related enterprises, and how these connect to the wider class structure. It is thus concerned with economic and political power and the connections between them; its central focus is the political economy of land, agriculture and natural resources. Although distinct, and presenting different challenges, land reform and agrarian reform are inseparable. Building on the conceptualisation of ‘the agrarian question of the dispossessed’ presented here, an agrarian reform programme could be guided by the following five core propositions.

(i) A wide-ranging programme of land reform is a necessary but not sufficient condition for the resolution of the agrarian question of the dispossessed

Overcrowding and high population-resource ratios in the former reserves, where a third of the population still lives, together with poorly defined and insecure rights to those resources, are major constraints on rural livelihoods. Land reform is required, therefore, to create equitable access to land and natural resources, across the whole country. It must also aim to secure people’s rights to land and resources, in both law and in practice, within a range of tenure systems (including both group and individualized systems as options) that must receive dedicated institutional support.
from government. Given inherited inequalities and the predominance of women in rural social formations, gender equality in land rights should become a central objective. Land that was forcibly dispossessed must, wherever possible, be restored through the restitution programme, and in provinces where a substantial proportion of land is under claim (eg. Kwazulu-Natal and Limpopo) can make a major contribution to an equitable distribution of land. In addition, land reform must increase the tenure security of farm-workers and labour tenants, and provide them with access to land in their own right wherever possible.

But land redistribution, restitution and tenure reform, however necessary, will not be sufficient on their own. An agrarian reform is required that is much broader in scope, and aim to restructure rural economic space and socio-political relations, creating the conditions for ‘accumulation from below’. Not only land, but also access to inputs, tools and equipment, draught power, and marketing outlets is required. Infrastructure for irrigation, transport and communications, and support services such as extension, training and marketing advice are needed. These are absent in many land reform projects at present (Jacobs 2003).

Even the World Bank’s latest policy report on land appears to agree with the thrust of this proposition:

... a key precondition for land reform to be feasible and effective in improving beneficiaries’ livelihoods is that such programs fit into a broader policy aimed at reducing poverty and establishing a favourable environment for the development of productive smallholder agriculture by beneficiaries (World Bank 2003: 154)

Addressing ‘the agrarian question of the dispossessed’, however, is a political project that will involve confronting established interests and power relations, and is unlikely to take the ‘inclusive’ form suggested by World Bank officials (eg. van den Brink 2002).

(ii) A decisive break with market-led approaches to land reform is required; these must be replace by an approach premised on the central role of the state, together with progressive forces in civil society, in driving processes of land acquisition and redistribution

Experience since 1994 suggests that the dichotomy between demand-led (or market-based) and supply-led (or state-based) land reform is not particularly useful. Rather, a pro-active state, acting in concert with progressive forces in civil society, can make use of market and other mechanisms to drive land reform in regions of emerging opportunity where need (and demand) are also found (Aliber and Mokoena 2002; Hart 1996; Lahiff 2001). Where market acquisition is slowed down by unwilling sellers, then government’s powers of expropriation can be used (or threatened), and procedures such as the designation of blocks of land to be acquired for land reform can be considered. If government set out to match supply and demand in these regions, then large numbers of farms could be acquired at reasonable cost (Aliber and Mokoena 2002). If an alliance between the state, NGOs and social movements, as well as rural people interested in acquiring land at the local level, came into being, the changing political balance of forces might even see land owners offering up
significant areas of land as a self-preservation strategy, as seen in Zimbabwe in recent years.

This approach would not preclude market transactions and ‘negotiated transfers’ (van den Brink 2002; van den Brink et al’s chapter in this book). Its departure point, however, is that willing seller–willing buyer mechanisms and market-based land reform have failed to redistribute land on a significant scale anywhere in the world (Borras 2003; Riedinger et al 2000), and are failing to do so in South Africa at present. Key lessons from history are that the central state must drive land and agrarian reform, that democratic local government also has an important role to play, and that popular participation in decision-making can ensure that it is people’s own needs and priorities, not those of officials or other interest groups, that determines the details of specific projects.

(iii) Area-based land reform is required to create the conditions for agrarian reform

A state-led approach would facilitate planning for area-based land and agrarian reform. Infrastructure and support services could then be provided to land reform projects in a much more cost-effective manner than is possible within the current patchwork, or ‘black-spots-in-reverse’, pattern of land acquisition. Although the central and the local state should play lead roles, a range of other agencies (in the private sector and civil society) can undertake service delivery functions and usefully complement the efforts of government.

What are the essential components of an area-based approach? They include the careful selection and designation of districts or zones of both need and opportunity. Within these government must provide the funds for and facilitate a transparent process of land identification and acquisition by groups and individuals. Key decisions in relation to land use, systems of production and land tenure should be made by the participants themselves, not by officials or consultants (Levin 2000). A range of scales of production and degrees of ‘commercialisation’ on the acquired land should be allowed, and variable definitions and interpretations of the ‘viability’ of production should be accepted.

Within the targeted areas government would need to undertake district-wide or zonal planning for infrastructure and service provision, especially in relation to post-transfer support, including marketing of produce. Both private sector agencies and NGOs can assist in service provision, but government must create a coherent and comprehensive framework for this. Planning for land and agrarian reform should be made central to the processes leading to the formulation of Integrated Development Plans by local government bodies (reversing the current syndrome of neglect). State land can be contributed to land reform where appropriate, and a common set of legal instruments and administrative support structures would enable the integration of land redistribution, restitution and tenure reform. An area-based approach facilitates coherent planning for land transfers on a large scale, the securing of land rights, local institutional development, and investment aimed at creating conducive conditions for smallholder production and other land-based livelihood strategies.

Zones of both opportunity and need for area-based land reform include:
(a) Commercial farming areas adjacent to communal areas. Research has revealed that many commercial farmers in these zones are eager to sell, and at fairly low prices (Aliber and Mokoena 2002). Often their farms have significant agricultural potential. On the other side of the fences are large numbers of poor people without access to sufficient (or, in some cases, any) arable or grazing land. Relocation does not involve vast distances and ‘straddling’ (of livelihoods, social networks, support systems) is facilitated (Andrew et al 2003: 20-21).

(b) Areas in which are found large rural populations, small towns with growing economies and adjacent high potential agricultural land, enhancing prospects for combining land-based and urban livelihoods, and for agro-processing enterprises and employment. Hart (1996; 2002) suggests such a scenario for the KwaZulu-Natal midlands.

(c) Peri-urban areas with good agricultural potential, and sometimes with commonage land owned by local municipalities (eg. in the Free State, Eastern Cape and Northern Cape – see Anderson and Pienaar 2003). Peri-urban areas often have potential for intensive forms of small-scale production (market gardening, dairying, poultry) for local and more distant markets.

(d) Districts with high proportions of rural restitution claims (eg. in Limpopo Province). Here restitution and redistribution can become highly complementary programmes of agrarian transformation.

(e) Areas with the potential for expanded production by small holders of high value cash crops (sugar, cotton, sub-tropical fruit, specialist vegetables) and associated agro-processing. Vaughan (2001) and Andrew et al (2003) describe some relevant experiences here. One possibility to explore in these areas would be using redistributed large-scale farming and processing concerns as core service nodes for an expanding smallholder sector.

(f) Areas of privately-owned land in low rainfall areas with potential for community-based eco-tourism enterprises; some of these are subject to restitution claims. Area-based programmes could include establishing dedicated programmes of institutional support to a spread of such enterprises.

This approach builds on the commitment of government to a decentralised and integrated approach to land reform, that was announced in the early stages of land policy formulation (see the White Paper of 1997 and Levin 2000), but which has been implemented in only a fitful and partial manner thus far. A pilot project on area-based approaches in Makhado District in Limpopo, currently being undertaken by a land NGO, Nkuzi Development Association, in collaboration with the Department of Land Affairs and the district municipality, will provide useful lessons for policy makers. However, the broader implications of this approach for policy have not yet been explored in policy debates.

(iv) Paradigm shifts are required to focus state policies on agrarian reform
Four paradigm shifts are required to realize the vision of agrarian reform set out in this chapter. The first involves policy makers questioning their widespread and deep-rooted scepticism about the potential for smallholder production and their consequent bias in favour of large-scale commercial production (Lahiff and Cousins 2004). Recent re-evaluations in the international literature of the potential role of smallholder agriculture in pro-poor economic growth (see Dorward et al 2004) may help promote this shift within South Africa. These authors list land reform as amongst the policies required to establish the ‘base conditions’ for enhancing the productivity of smallholder production.

Secondly, the multiple and diverse character of the livelihoods of the rural poor, and emerging opportunities for petty commodity production, must be a key focus of policy (Andrew et al 2003). Land and natural resources are vitally important, but cannot be the only focus of development efforts; complementary forms of rural enterprise must also be promoted (Philip 2000).

Thirdly, government must recognising its central role as in land and agrarian reform, and devote sufficient resources to the relevant sub-programmes. An adequate budget for implementing these policies must thus be secured from Treasury.

Fourthly, the active participation of the ‘beneficiaries’ of agrarian reform in processes of policy-making, planning and implementation must be secured (Levin 2000; Cousins 2004b). To date only lip service has been paid to the notion of community participation.

(v) Land and agrarian reform requires a major investment in capacity building as well as innovative institutional arrangements

As noted above, inadequate capacity for implementation of land reform is a ‘recurring problem’ (Adams 2000). This has been the case not only in relation to central government departments in South Africa since 1994, but also in relation to local government bodies and NGOs, and has hamstrung implementation of land reform. A concerted effort to strengthen the capacity of organisations active in rural areas is urgently required. Capacity building has the following dimensions: ensuring that appropriate policies are in place; providing sufficient funds to implement policies; employing professional personnel in sufficient numbers to undertake a wide range of tasks; equipping staff with appropriate skills and expertise, via a range of in-house training programmes; structuring the institutions to ensure efficiency and effectiveness; streamlining systems and procedures; managing programmes and projects effectively; and building systems (eg. monitoring and evaluation) to maximize learning from experience and the inevitable mistakes that will be made.

Supporting institutional development at local community level is also crucial, and facilitates active participation by rural people in agrarian reform. The experience of Communal Property Associations (CPAs) and trusts established since 1996 to take ownership of land in redistribution and restitution projects is relevant here. Many of these are now dysfunctional. Constitutions have been poorly drafted and often misunderstood by members, and the rights of members (especially in relation to land and resource use) are often ill-defined. In some cases traditional leaders have contested the authority of elected trustees, and in others elites have captured the
benefits of ownership (Cousins and Hornby 2002). The problems derive in large part from inadequate government oversight of and levels of support to these groups. The lesson is that appropriate support for local capacity building is a vital component of land and agrarian reform.

It is clear that co-ordination between government departments and programmes is a major problem, and that simply requesting local government bodies to include land reform projects in their Integrated Development Plans is not a solution. New forms of institutional arrangement are required which integrate land acquisition and tenure reform with diverse forms of land development, including but not limited to agricultural production. One possibility worth investigating is the idea of district-based Agrarian Reform Institutes, funded by central government but with strong links to both local government bodies and provincial government departments. Another idea to pursue is Rural Enterprise Development Centres, (similar to those supported in the past by the Mineworkers Development Agency), which seek to pro-actively transform the material conditions of petty rural enterprises, integrated wherever possible with land and natural resource based livelihoods (Philip 2000). A third is the promotion of input and marketing co-operatives within the land reform programme.

**Political feasibility**

International experience shows that elites tend to capture the benefits of land reform unless there are decisive shifts in power relations in favour of the poor. In South Africa this means avoiding capture of land reform and development projects by elite groupings, including traditional leaders, the renegotiation of the terms and conditions of employment of both permanent and seasonal labour in the commercial agricultural sector, and addressing the concentration of economic power within agro-food commodity chains in the hands of big business (Lahiff and Cousins 2004: 53-54) It is clear that agrarian restructuring can only be fully realized through struggle, and thus a further necessary condition of agrarian reform is political mobilization ‘from below’ by emerging social movements in the countryside.

A key weakness in South Africa’s land reform programme to date has been the lack of an organized political constituency in rural society, articulating a powerful rural voice able to counter the persistent urban bias in the country’s politics and economics (Greenberg 2000; 2002; 2004). Land sector NGOs have consistently advocated pro-poor policies and greater levels of state investment in rural areas, but their reach is limited and their impact on policy has been uneven and often very limited. Rural social movements pushing for fundamental change did not emerge on any scale in the 1990s.

Another site of struggle is the state, and thus also the ruling party (the African National Congress, ANC) and the tripartite alliance (the ANC, the SACP and Cosatu), ie. ‘mobilisation from above’. Both government and the ANC regularly assert the importance of resolving the land question, but both the very small annual budgets allocated to the Departments of Land Affairs and Agriculture and the general absence of internal policy debates suggests that land and agrarian reform have been somewhat marginal to the core concerns of the ANC in power. The ANC’s alliance partners have also, until recently, paid little attention to rural questions, although this is now beginning to change. Why have land and agrarian reform been seen as relatively
unimportant by dominant political formations in post-apartheid South Africa, and what are the prospects for these issues becoming more central to government policies aimed at poverty reduction? These complex questions can only be touched on briefly here.

Possible explanations for the marginality of the land question in recent South African political history include: (a) the strong emphasis by the liberation movement, from at least the 1960s, on mobilisation and organisation in urban areas, as a result of the growing strategic strength of the black urban working class after the Second World War, but perhaps reflecting also the fact that the movement ‘underestimated the theoretical and practical significance of political aspirations and social movements in the countryside’ (Drew 1996: 53); (b) the nature of the negotiated political transition to democracy, involving both ‘elite-pacting’ and strategic compromises (for example, over property rights) in order to ensure a non-violent transfer of power (Levin and Weiner 1996); (c) the real marginality of rural areas, in both economic and political terms, in 21st century South Africa, given ecological, demographic and social realities and constraints (see Walker’s chapter in this book); (d) the hegemonic grip of the ‘efficient commercial farm’ narrative within South Africa (see arguments above), and (e) the dominance of neo-liberal macro-economic policies adopted by the ANC and government, that have prioritised integration into a highly competitive, globalised capitalist economy, accompanied by the sidelining of asset redistribution and other pro-poor policies (Bond 2000).

The last of these is perhaps the most salient in the present conjuncture. There is little doubt that government’s efforts since 1994 to stabilise the economy have taken precedence over socio-economic restructuring, although recent increases in social spending and what some term ‘developmentalist’ policies mean that that characterisations of government economic policies as neo-liberal must be tempered to some degree. Also important, however, in explaining relative marginality are deeply-rooted ideas about agriculture and rural life, whether they be in relation to the efficiency of large farms or the inherent limits of land reform in the face of contemporary realities.

However, four developments indicate that the political feasibility of radical agrarian reform may be increasing. Firstly, events in Zimbabwe since 2000 have given land reform a much higher public profile. Across the region, a variety of interest groups (including political parties, NGOs, farmer’s unions, trade unions and donors) have pondered the implicit question posed by Zimbabwe: is the snail’s pace of land reform a prelude to large-scale land invasions supported by powerful political interests? As to be expected, a wide range of responses are evident; more striking is the near-consensus across the political spectrum that: (a) an unresolved land question is a political time-bomb; and (b) progress in land reform in most countries in the region (but in particular those with large commercial agricultural sectors still dominated by white farmers) is too slow, and needs to be speeded up (International Crisis Group 2004).

Secondly, the rise of the Landless People’s Movement (LPM), supported by the National Land Committee, has seen government being challenged on the inadequacies of its land reform programme, not only by activists and academics, but by thousands of angry rural (and urban) people - most notably at the World Conference Against
Racism in Durban in 2001 and the World Summit for Sustainable Development in Johannesburg in 2002. Although it is too early to pronounce on just how widespread the support for the LPM is, or how effective it is in organizational terms, there is no doubt that the LPM’s calls for an end to farm evictions and for real progress in land redistribution have resonated widely. In the same period a number of civil society organisations have engaged in campaigns on a diverse set of issues, indicating widespread dissatisfaction with a number of government policies.

Thirdly, there is the beginnings of a real interest in land and agrarian reform by the largest trade union federation, Cosatu, and more recently by the SACP, which launched a Red October campaign in 2004 with the slogan ‘Mawubuye umhlaba: land, food, jobs!’ Concern over rising food prices and food insecurity has been linked to the need to assist people to grow their own food. Calls by officials and policy analysts from the union movement for a review of government economic policy have increasingly included land reform as an important measure eg. ‘more equitable asset redistribution can be achieved through large-scale skills development, government services and infrastructure for the poor, support for small enterprises and land reform’ (Makgetla 2001). These shifts by the ANC’s alliance partners might be the beginning of serious national policy debates on land and agrarian reform for the first time since 1994.

Fourthly, as indicated above, some policy analysts have begun to see land and agrarian reform as essential for addressing the ‘two economies’ problem (Terreblanche, 2002; Makgetla 2004; May et al 2004: 20). Scepticism about smallholder agriculture and the contribution of land-based livelihoods may be lessening.

Taking these developments together, it is clear that renewed pressure for fundamental changes in government policies is now being exerted by a number of diverse interest groups, organizations and campaigns, and that the central importance of land and agrarian reform to poverty reduction and overcoming structural dualism is being recognized more widely than before. These help to create the conditions for rural social movements to begin to mobilize on a large scale, and to build alliances with other such movements. As Hart has suggested:

\[
\text{A key question is whether and how these diverse forces could link more closely with one another to form a broadly-based movement for redistributive social change and a secure livelihood – not as passive recipients of state largesse, but as active participants in a struggle for social and economic justice}...... \quad (\text{Hart 2002}).
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What of the commercial farmer lobby? In South Africa this interest group is powerful and well-organised, and not to be under-estimated. The largest farmer’s union, Agri-SA, has ensured that the commercial farming sector is regularly consulted by President Mbeki. A joint strategic plan for agriculture was signed in 2001 by government, Agri-SA and the National African Farmer’s Union, and hailed as showing a ‘new patriotism among us as South Africans’ by Mbeki (Business Day, 26/11/01).
In relation to land reform, farm invasions in Zimbabwe have concentrated the minds of commercial farmer’s with remarkable effect:

....it was not until the events in Zimbabwe that farmer’s representatives in South Africa began to link attacks on farmers with the slow pace of land reform... support for land redistribution from within organized agriculture has undoubtedly grown in reaction to events to the north (Lahiff and Cousins 2001: 658).

However, what commercial farmers understand by land redistribution is highly problematic. Stressing the strategic importance of commercial farming for food production and also export earnings, commercial farmers are offering to assist with the mentoring of black ‘emergent’ commercial farmers. Implicit is their understanding that for the foreseeable future the latter are unlikely to constitute a large and powerful interest group capable of mounting a serious challenge to the dominant interests within the sector. Agri-SA spokesmen are clear that in their view transferring land to ‘subsistence farmers’ under forms of communal tenure will be a national disaster.

Underpinning large-scale agriculture’s strategic control of key food production and export earning sub-sectors within the economy, and strengthening their organizational power, is the power of the commercial farming narrative, the notion that ‘only commercial agriculture is real agriculture’. Countering the commercial agriculture lobby, then, will have to mean tackling its power both materially and ideologically. This remains a major challenge in South Africa.

**Conclusion**

This chapter has suggested that the most appropriate analytical framework for understanding continuing inequality and deep poverty in rural South Africa is one drawn from radical political economy, and from analyses of the unresolved ‘agrarian question of the dispossessed’. Building on insights from this approach, a number of propositions have been suggested as a basis for rethinking land and agrarian reform policies.

What is now required is a radical restructuring of agrarian economic space, property regimes and socio-political relations, in order to realise the potential for ‘accumulation from below’ in both agricultural and non-agricultural forms of petty commodity production, and through expanded opportunities for ‘multiple livelihood strategies’. Key paradigm shifts required to realise this vision include abandoning negative stereotypes of smallholder production, and embracing a positive view of the possibilities for land-based rural livelihoods, as well as participatory approaches that bring rural people into the centre of decision-making processes.

The state must become the lead agency in processes of agrarian restructuring, assisted by progressive elements of civil society, and ensure that national policies are integrated into provincial and local government planning. Area-based planning could be a powerful mechanism for ensuring coherence, and help to integrate diverse elements. Capacity needs to be built to realise this ambitious vision, and innovative institutional arrangements need to be developed.
Policy advocacy has to be grounded in political realities. As recent events in Zimbabwe so clearly demonstrate, changes in the balance of forces can dramatically alter the terrain of land reform policy, and a crucial variable is the degree of mobilization and organization of rural people themselves – always recognizing that this population is highly diverse and internally differentiated, and that collective interests are not simply givens but have to be constituted by ‘political leadership and political choice’ (Bernstein 1997). Political dynamics, rather than rational arguments, are likely to be the key determinant of the content of land and agrarian reform in South Africa in years to come.

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