

**AN ASSESSMENT OF THE LAND REFORM PROGRAMME
IN THE NORTHERN PROVINCE OF SOUTH AFRICA**

BY

PHINEAS KHAZAMULA CHAUKE

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Chauke P. K

GIYANI

10 February 1999

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Supervisor : Professor J.F. Kirsten

ABSTRACT

The South African agrarian economy has been characterised by land dispossession and the existence of a distortionary policy environment. As a result most of its black inhabitants have been denied ownership and occupational rights to land.

A literature review on land reform in selected third world countries has revealed that the above incidents were not unique to South Africa.

Almost all countries reviewed have – to differing degrees – denied land rights to their peasant inhabitants. South Africa's unfavourable policies were however implemented over a much longer time period. The process commenced towards the end of the 19th century with the establishment of a few reserves and application of some prohibitive fiscal policies. It culminated in the formation of a new land policy for the country in the mid-1990s. Amongst others, the new policy recognised the paramount importance of land reform in redressing past injustices.

This study evaluates the performance and progress of the land reform programme in the Northern Province. An assessment of the land reform pilot programme for the Northern Province has revealed a number of implementation stumbling blocks. These include:

- ◆ Excessive political intervention;
- ◆ Inadequate commitment by implementing agencies and officials;
- ◆ Individuals with vested interests and those who will drive the process for personal gain;
- ◆ Complexities in correctly identifying beneficiaries; and
- ◆ Difficulties in highlighting the main aims and objectives of a land reform programme to the unsophisticated rural inhabitants.

This study has reaffirmed the superiority of a market assisted land redistribution mechanism. Its effectiveness in redistributing sufficient quantities of land to the disadvantaged communities is however limited

by financial constraints. An important institutional redistributive mechanism that could most probably be directed at the poor and landless is the leasing of state land. Stringent entry requirements have resulted in this resource benefiting the elites and business people.

Restitution claims in rural based provinces (such as the Northern Province) will probably be few and widely scattered. Many inhabitants of these areas do not meet the requirements of the Restitution of Land Rights Act. Few genuine land claims could however be forwarded to the Land Claims Court for arbitration.

'n EVALUASIE VAN DIE GRONDHERVORMINGSPROGRAM IN DIE NOORDELIKE PROVINSIE VAN SUID AFRIKA

DEUR

PHINEAS KHAZAMULA CHAUKE

Graad : **M. Inst. Agrar**
Departement: **Landbou-ekonomie, Voorligting en Landelike
Ontwikkeling**
Studieleier : **Prof. J.F. Kirsten**

UITTREKSEL

Die Suid-Afrikaanse landelike ekonomie is gekenmerk deur grond-
onteiening en die bestaan van 'n verdraaide beleidsomgewing. As
gevolg hiervan is meeste van die swart inwoners eienaarskap asook
eiendomsreg tot grond ontnem.

'n Literatuuroorsig van grondhervorming in uitgesoekte derde-wêreld
lande het aan die lig gebring dat die bogenoemde gebeure nie uniek aan
Suid-Afrika is nie. Byna al die lande wat ondersoek is het, tot 'n mindere
of meerdere mate, grondbesitreg aan die landelike inwoners geweier.
Suid-Afrika se ongunstige beleid is egter oor 'n baie langer tydperk
geïmplementeer. Die proses is begin teen die einde van die negentiende

eeu met die instelling van 'n paar tuislande en die toepassing van 'n paar weerhoudende fiskale beleide. Dit het gekulmineer met die formulering van 'n nuwe grondbeleid vir die land gedurende die middel 1990s. Onder andere het die nuwe beleid die belangrikheid van die grondhervoming besef om die onregverdighede van die verlede aan te spreek. Hierdie studie evalueer die prestasie en vordering van die grondhervormingsprogram in die Noordelike Provinsie.

Spesifieke aandag is geskenk aan die loodsprogram in die provinsie maar die ander elemente van die grondhervormingsprogram, te wete, restitusie, grondherverdeling en "tenure reform" is ook deeglik aangespreek.

'n Beoordeling van die grondhervormingsloodsprogram in die Noordelike Provinsie het 'n aantal implenteringsprobleme aan die lig gebring. Hierdie probleme sluit die volgende in:

- ◆ Oormatige politiek inmenging;
- ◆ Onvoldoende toewyding by die implementering van agente en amptenare;
- ◆ Individue met persoonlike belange en diegene wat die proses aan die gang hou vir persoonlike verryking;
- ◆ Kompleksiteit by die korrekte identifisering van weldoeners; en
- ◆ Probleme met die verduideliking van die hoofdoelstelling van 'n grondhervormingsprogram aan die ongesofistikeerde landelike

inwoners.

Hierdie studie het weereens die superioriteit van 'n markverwante grond hervormingsmeganisme beklemtoon. Die effektiwiteit in herverdeling van genoegsame hoeveelhede grond aan die agterblewe gemeenskappe word egter beperk deur finansiële beperkings. 'n Belangrike institutionele herverdelingsmeganisme wat heelwaarskynlik op die armes en grondloses gerig kan word, is die verhuring van staatsgrond. Baie streng toegangsvereistes het egter tot gevolg gehad dat net die elite bevoordeel is.

Restitusie eise in landelike provinsies (soos die Noordelike Provinsie) sal heelwaarskynlik min en wyd verspreid wees. Baie inwoners van hierdie areas voldoen nie aan die vereistes van die restitusie van grondhervormingswet nie. Slegs 'n paar werklike grond eise kon egter na die grondhervormingshof vir arbitrasie gestuur word.

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CHAPTER 1

INTRODUCTION

1.1 Background

Black South Africans have experienced a long period of land dispossession and alienation (Gordon, 1988; Mbongwa *et al* 1996, The World Bank, 1994 and Ngqangweni, 1996). The process has been achieved through the application of various discriminatory laws and distortionary policies. These factors have largely ensured the removal of efficient small-scale subsistent black farmers from effective land use (Gordon, 1988). The denial of land rights to black inhabitants was accompanied by the creation of a policy environment that encouraged the development of a large scale white commercial farming sector (World Bank, 1994).

Factors within and outside the system however made it increasingly difficult to sustain discriminatory policies (Kirsten & Van Zyl, 1996). The mid-1980s therefore witnessed the commencement of a policy environment that sought to reverse most of these policies. The process gained momentum during the mid-1990s when the new democratic government initiated a land reform programme for South Africa. To ensure sustainability, this programme has been structured in such a way that the past injustices are redressed through the process of restitution, tenure reform and redistribution of land (Department of Land Affairs, 1997a and Department of Land Affairs, 1996).

1.2 The aim of the study

The objective of this study is to assess the progress of the land reform programme in the Northern Province. Particular attention is paid to the Land Reform Pilot Programme (LRPP) at Gillemberg and the general progress of the provincial land reform programme under its major components: redistribution, tenure reform and restitution.

1.3 Problem statement

Poverty, mostly in South Africa's rural areas, is widespread. A system of government that was based on racial discrimination and a distortionary policy environment has enhanced the problem by removing the majority of the country's inhabitants — blacks — from productive land use. The heavily congested communally occupied reserves (former homelands) are grossly inadequate to accommodate — let alone provide food for — the many inhabitants of this country. The communal tenurial form is further disadvantaged by the permission to occupy (PTO) requirement that vests all land ownership rights to the state (Department of Land Affairs, 1997a, Van Zyl et al, 1996 and Department of Land Affairs, 1996).

In order to redress these imbalances the National Department of Land Affairs has adopted the following mission statement:

“To create an equitable and fair dispensation and to secure and promote the effective use of land as a resource within the context of sustainable rural Development” (Department of Land Affairs, 1996).

The department has shown its commitment to this mission statement by embarking upon a pilot land reform campaign. The campaign was specifically aimed at testing delivery mechanisms in which decisions on land redistribution would be devolved to stakeholders at the district level. Government could however not await the results of this campaign before initiating a blanket land reform programme for the country. It therefore initiated a process of redistribution, tenure reform and restitution alongside the national pilot programme (Department of Land Affairs, 1997a and Lund, 1996).

1.4 Study area

The Northern Province has been selected for this study as costs and time constraints did not permit a comprehensive coverage of the whole country. The representability of the province could most probably be justified by its size (amongst the biggest) and economic status (amongst the poorest).

1.5 Method of research

The first part of the study reviews lessons on land reform in selected third world countries that had almost similar experiences as South Africa. The development of discriminatory policies in the South African agrarian sector is also reviewed.

In the second part of the study use was made of unstructured questionnaires to obtain qualitative data from the following:

- ◆ Residents of the five communities surrounding Gillemberg, namely Mapela, Bakenberg, Matlala-a-Thaba, Matlala-Bavaria and Mashashane;

- ◆ Farm workers and residents of Gillemberg (the pilot project);
- ◆ The local management of the Agricultural and Rural Development Corporation (ARDC); and
- ◆ Members of the Provincial Steering Committee (P.S.C).

The above have been selected by the agency department (Local Government and Traditional Affairs) as important stakeholders for the Northern Province Land Reform Pilot Programme at Gillemberg. Gillemberg is presently under ARDC management, while the PSC is the custodian of the pilot programme.

As Ngqangweni (1996) has noted, the use of unstructured questionnaires is advantageous in that respondents are placed in a better position to honestly express their views. Information gathered through this method can easily be used later to enhance data collected for an intensive analysis through structured questionnaires.

The second part of this study also assesses the general progress of land distribution in the province. Data obtained from the Deeds Office for the three districts of Potgietersrus, Pietersburg and Soutpansberg are extensively used to assess the contribution of market assisted land transfers towards land redistribution. Specific tenure issues addressed by the Northern Province Department of Land Affairs as well as restitution cases in the province are also investigated.

1.6 Outline of the study

Chapter 2 reviews land reform in selected sub-Saharan African and East Asian

countries, These are Kenya, Zimbabwe, South Vietnam and Taiwan.

In Chapter 3 the massive dispossession of South Africa's black inhabitants is reviewed. Particular attention is focused on the various discriminatory laws and discriminatory policies that ensured the removal of small-scale black farmers from effective land use. The chapter also reviews the commitment by the former government towards policy reform, a process that only acquired fruition in the early and mid 1990s.

The actual progress of the Northern Province Land Reform Programme is assessed in Chapter 4. Topics covered include an assessment of the LRPP, particularly the pilot area's history, its selection as a pilot district and implementation bottlenecks. Data obtained from the Deeds Office in Pretoria and various sub-directorates of the Department of Land Affairs-National are extensively used to assess the general progress of land redistribution, tenure reform and restitution in the province.

The last chapter presents a summary of the whole study and recommendations.

CHAPTER 2

LESSONS FROM LAND REFORM EXPERIENCES

2.1 Introduction

This chapter aims at extracting lessons acquired by other countries in the process of implementing their land reform programmes. The second section provides a conceptual exposition of land reform. Some lessons that have emanated from land reform initiatives are briefly cited. The third section explores specific land reform experiences in two Southern African countries - Kenya and Zimbabwe — and two East Asian countries — South Vietnam and Taiwan. The last section concludes the chapter.

2.2 Land Reform: A brief exposition

Land reform has usually been associated with the redistribution of privately owned farms (usually held by foreigners or a few local landlords) and government owned land to the landless, tenants and agricultural workers, with the aim of achieving more equity in land occupation and use as well as increased production (Barlowe, 1978, Eicher, 1990; Letsoalo, 1987 and Cohen, 1978). Thorough and complete land reform programmes have usually emerged after revolutions (Cuba) or military defeats by external forces (defeat of Japan by allied forces and secession to mainland China after the Second World War) (Christiansen, 1996 and Long, 1991).

Land reforms initiated after the end of colonial rule or through peaceful ideological transformations have usually undergone very few changes (Christiansen, 1996).

International experience present some very important lessons for those who seek to benefit from land reform programmes. Some crucial lessons which could be of benefit are presented below (Christiansen, 1996):

- ◆ Delays in rapidly implementing a land reform programme usually provides fertile ground for bureaucratic deferment and legal challenges;
- ◆ The adopted farm models should be economically viable in terms of the ability of land size and quality to attain a given income;
- ◆ The land reform programme should enjoy the approval of different political groupings for future sustenance; and
- ◆ The role of government — which should be limited to that of facilitation rather than major role-playing — should be clearly defined.

Specific lessons that South Africa could possibly gain from other countries that have initiated land reform programmes are presented in the following sections. The phenomenal success in one (Taiwan) could be attributed to rapid implementation and the adoption of viable owner operated small scale farming models. The modest achievement of the resettlement area farmers in Zimbabwe could largely be ascribed to uneconomic (unmanageable) farm models and massive government intervention.

2.3 Lessons from selected countries

2.3.1 Introduction

The Department of Land Affairs (1997a) has identified three major components for a South African Land Reform Programme: restitution, tenure reform and redistribution of land. The biggest problem facing the state is perhaps to ensure an equitable distribution of vast areas of land presently under state and private (white) control. Important lessons could probably be gained from experiences in other countries. Four countries — Kenya, Zimbabwe, South Vietnam and Taiwan — have been selected for this report.

2.3.2 Kenya

Kenya has been selected for this study as it shares many common historical characteristics with South Africa: a former British colony, forced resettlement of the indigenous inhabitants into reserves etc. According to Letsoalo (1987) and Binswanger & Deininger (1996), the colonisation of Kenya witnessed the alienation and settlement of Europeans on most productive land, and the massive resettlement of Africans (who had established themselves on 'suitable land') into reserves.

The perpetual settlement of the reserves under the communal system presented a number of problems to the colonial government. Some of these are identified below:

- ◆ The continued occurrence of soil erosion in the high lying African reserves,

- which the government attributed to the African communal tenure system and land mismanagement (Letsoalo, 1987);
- ◆ Episodes of large scale violence by farm labourers and reserve occupants who had been forcibly removed from their tribal land (Prostermann & Riedinger, 1987); and
 - ◆ Lower returns to both labour and time due mainly to the fragmented nature of land holdings, insecurity of land ownership, land disputes and continuous subdivisions of land to heirs as dictated by custom (Letsoalo, 1987).

Restructuring the system involved the consolidation and registration of fragmented land ownership structures through the 1954 Swynnerton Plan (Critchley, 1997). Beneficial effects of this reform initiative were rational input use, reduced travel time, opening access to output markets and the use of the land resource as premium risk (collateral) for obtaining financial assistance from the formal financial market.

The initiative has however been severely criticised by those who saw it as the major causal factor for increased inequalities in land occupation, landlessness and grazing rights (Critchley, 1997 and Letsoalo, 1987).

Genuine land reform in Kenya commenced with the lifting of the ban on Africans to purchase land in the whites only scheduled areas. Large European farms that were previously operated as integrated units were purchased by government and subsequently subdivided and allocated to the poor African farmers (Klug, 1996 and Critchley, 1997). In certain instances the state and foreign donors provided financial assistance for the purchase of 20 and 35 acre plots to black farmers on

the market (willing-buyer willing-seller). The whole process was overseen by the Department of Settlement that was specifically established in 1962 for this purpose. Some large farms were sold to interested black farmers with financial assistance from either the Land and Agricultural Bank of Kenya or the Yeoman Farm Resettlement Scheme (see section 4.3 ahead for a similar South African version of this initiative).

The purchasing of privately owned land by government and its subdivisions and allocation to small farmers has been hailed as the single most important factor that ensured an equitable distribution of land in that country (Bruce, 1993).

Productivity studies done for small-scale farmers in Kenya have revealed the following:

- ◆ Farms of less than 2 ha (75% of the total) contributed a 49% share in national production between 1965 and 1985 — moving from a low of 40% in 1965 (Staatz & Eicher, 1990).
- ◆ The agricultural sector has grown at an average rate of nearly 3% in the 1980s (Mellor, 1990). The country also achieved the fastest growth in agricultural output and the greatest success in reconciling growth with equity during this period (Lele, 1990).
- ◆ Smaller sized settlement farms proved to be more effective in labour utilisation (employed ten more labourers per hectare) and productive (50% more produce) than the largest settlements (Prostermann & Riedinger, 1987).

According to Godfrey (1986), a 1981 study showed that there were 1.6 million

hectares of large and medium sized farms in Kenya which in principle could still be subdivided to small scale farmers. These had the potential to generate 870 000 jobs.

The success of small-scale farming in Kenya was used by the World Bank as a norm for further financial aid to that country. Godfrey (1986) has indicated that the Bank's precondition for providing further financial assistance to the Kenyan government rested upon its concerted effort towards land redistribution to small-scale farmers. Lack of further financial aid was therefore largely attributed to government's reluctance to accept this requirement.

2.3.3 Zimbabwe

According to Davenport & Hunt (1974) land reform was used in Zimbabwe as early as 1894 to achieve racial discrimination. During that year two African reserves, the Shangani and Ghaai reserves, were established. Their continual growth negated the colonial government's objective of designating more land for the settlement of whites (both local and immigrants). The Native Reserve Commission of 1914 was specifically instituted to investigate the problem. Its recommendations — which favoured an increase in land allocation for European occupation — were hampered by implementation bottlenecks (including demand for more land by Africans).

Government did not renege from pursuing its segregation policies. Another commission, instituted in 1926 under the chairmanship of Morris Carter, recommended that the separation of Africans and Europeans was not only advisable but also possible (Davenport & Hunt, 1974 and Okoth-Ogendo, 1993). The commission provided a number of social, economic and political grounds in

support of its policies. Included amongst these were the spread of livestock disease, stock theft, insecurity to immigrants, the complexity and responsibility attached to commercial farming and the general fear of Africans to integrate with whites.

The Morris Carter Commission further recommended that 49 and 29 million acres of land be allocated to white and black inhabitants respectively. The land apportioned for African communal occupation was further reduced by the requirement that 7.5 million acres be set aside for freehold occupation. These recommendations were incorporated into the Land Apportionment Act of 1930. As indicated by a study by Davenport & Hunt (1974), the actual situation in the reserves did not only call for an increase in land allocation for blacks, but also for a marked decrease in that apportioned for European settlement — from the original 49 to 36 million acres by 1969.

Although the area designated for European occupation was reduced due to the expansion of the reserves, the need to close black spots (within the white areas) resulted in the forced removal of black communities. According to Binswanger & Deininger (1996) about 85 000 peasant families were removed from these areas between 1945 and 1951. The general strike of 1948 and subsequent guerrilla attacks by the Zimbabwean African National Union (ZANU), commencing in 1964, were in response to these removals. The war between ZANU and the Rhodesian government ended in 1980 when the country gained independence (Binswanger & Deininger, 1996).

The result of past policies was that at independence Zimbabwe faced a highly skewed land distribution pattern (Masilela & Weiner, 1997 and Rohrbach, 1989). At that time 6 000 large scale white commercial farmers occupied 15.4 million

hectares of high quality land (natural regions I, II and III) in contrast with the settlement of 4 million Africans on 16.6 million hectares of the mostly inferior communal areas (natural regions III, IV and V) (Masilela & Weiner, 1997 and Cusworth, 1992). The dawn of independence therefore witnessed widespread and unplanned land invasions by the poor and landless. The new government's priorities were therefore to (Masilela & Weiner, 1997):

- ◆ Relieve population pressure on overcrowded communal areas;
- ◆ Extend and improve the country's agricultural base;
- ◆ Reduce economic dependency on a few large scale farms;
- ◆ Distribute services and infrastructure to neglected areas; and to
- ◆ Enable the new settlers to manage their allocated units independently.

Four land distribution structures were identified to address these problems. These were the large scale commercial sector (LSCS), small-scale commercial sector (SSCS), Resettlement Areas (RAs) and Communal Areas (CAs) (de Villiers, 1997; Moor & Nieuwoudt, 1995; Binswanger & Deininger, 1996 and Masilela & Weiner, 1997). According to Rohrbach (1989), data collected during the first year of independence indicated that the 6 000 LSCF were settled on 13.2 million hectares. Land occupation by 8 500 SSCF and 800 000 communal farmers was respectively 1.0625 and 18.4 million hectares. Particular attention was directed at the development of RAs.

RAs mostly resulted from government purchases of privately owned large commercial farms (with full compensation) and the clearing of new lands for the resettlement of black small-scale farmers (Binswager & Deininger, 1996 and Masilela & Weiner, 1997). The programme was government administered. Four models were developed under this programme. These were:

- ◆ Model A which comprised of short-term occupational permits on 5 hectare plots. Occupants were granted communal grazing rights for up to 15 large stock units;
- ◆ Model B which consisted of socialist based producer co-operatives. These were pilot projects in preparation for a large scale social transformation of the agricultural sector;
- ◆ Model C in which all production inputs were provided by the state. Settlers on government owned land only required to provide labour; and
- ◆ Model D which was directed at the maximum utilisation of the country's marginal areas through the initiation of cattle based schemes.

A study conducted by Moor & Nieuwoudt (1995) revealed that short-term occupational permits granted to RA farmers provided sufficient incentives for investment in short-term inputs. These farmers reported higher expenditure on crop production and higher output per hectare as compared to both CA and SSCS farmers. This study also revealed that RA farmers could not put their land in production throughout the year due to communal grazing requirements in winter. Also lack of freeholding prevented these farmers from gaining access to the formal financial market as they could not offer their land as collateral. These findings are corroborated by Kinsey & Binswanger (1996), who have indicated that the performance of settlements in Zimbabwe was far less successful in comparison to experiences in Kenya. A study done by Rohrbach (1989) has also revealed that estimates for 1986 show the contribution of RA farmers to Zimbabwe's total maize production as 6.23 % (1685.1 metric tons) (Rohrbach, 1989). Causal factors were identified as follows:

- ◆ Government resources aimed at supporting the programme were strained mainly due to the unfavourable requirement that land purchase be financed

by the government — without expense recovery from farmers;

- ◆ Reduced incentives for long term improvements due to lack of ownership or long-term transferable lease rights. This also prevented the emergence of a rental market (necessary for more intensive land use) and specialisation;
- ◆ Government bought and settled farmers on larger farm portions rather than on smaller farm divisions which had the potential to accommodate many beneficiaries ; and
- ◆ Technology transfer and service provision were hampered by lack of funding.

Dudley *et al* (1992) and Staatz & Eicher (1990) have however hailed the achievement of small-scale farming in Zimbabwe — particularly the increased share of smallholders in cotton and maize production, and their success in supplying half the total intake of the marketing boards. Rohrbach (1989) has shown that whereas in the year 1970 small scale farmers contributed only 14 % of the maize produced by large and small scale commercial farmers, by 1985 this figure had increased to 28.7 %. These farmers also managed to increase their maize supply to the marketing board from an average of 12 to 36.5 metric tons per annum over the same period. The significance of this achievement was that it occurred under a productive environment that relied heavily on subsistent farming methods. The provision of input — to model C farmers in particular — was pivotal in increasing the share of smallholders in maize and cotton production (Staatz & Eicher, 1990).

Dudley *et al* (1992) have also accused RA farming of failing to achieve certain objectives — more especially in relieving population pressure on CAs. The major causal factor was that lack of freehold occupation in RAs promoted a dual land ownership between the two areas. Also financial institutions, co-operatives and

control boards could not cope with the many transaction costs required by the many small-scale farmers. The programme was also accused of having failed to increase productivity to sufficient levels as most beneficiaries lacked production skills — a factor that contributed to the underutilisation of the allocated land. Masilela & Weiner (1997) are critical about the above-mentioned views. According to them, the lower productivity of RA farms should have been largely attributed to the marginal areas on which they were established. The authors extracted data from critics' work that proved the superiority of RA farmers under similar production conditions.

2.3.4 South Vietnam

The unequal distribution of land in Vietnam commenced in the 1860s when French colonial policies increased the holding of land, power and influence to the village notables and administrators (mostly French Nationals) (Prostermann & Riedinger, 1987). A severe land shortage in the 1930s prompted the colonial government to initiate reclamation projects that opened up vast areas of new lands in the Mekong Delta. However through various manoeuvres, the village elites ended up being the claimants of those lands (instead of the poor peasantry) (Callison, 1983 and Prostermann & Reidinger, 1987). Prostermann & Riedinger (1987) identified some of these fraudulent mechanisms as hiding land claims lodged by peasants, placing fictitious names under certain land portions etc.

The second phase of deprivation to land and its products arose during the Second World War when Vietnam came under Japanese rule (Callison, 1983 and Prostermann & Riedinger, 1987). The Japanese government converted most rice lands to non-food crops and confiscated much of the rice grown for their own (home) consumption. As Prostermann & Riedinger (1987) have shown, a

combination of the above factors and a series of typhoons resulted in a great famine that killed almost 2 million Vietnamese. This resulted in the emergence of an opposition movement — the Vietminh — which arranged organised attacks on official granaries and Japanese rice shipments.

After the Second World War — with the defeat of Japan — Vietnam reverted back to French rule. The refusal by the French government to grant independence to the whole Vietnam immediately after the war led to a struggle — with the Vietminh — which was temporarily halted during the 1954 Geneva Conference (Prostermann & Reidinger, 1987). At the time of the Conference, the Vietminh ruled 60 - 90% of the land area that later became known as South Vietnam. The success of the Vietminh over the military might of the French was attributed to the following (Prostermann & Reidinger, 1987):

- ◆ Confiscation of lands held by French nationals and local “traitors” for distribution to poor peasants;
- ◆ Prohibition of tax to the French controlled government;
- ◆ Categorising land occupants as “landlords”, “rich peasants”, “middle peasants” and “agricultural workers” with the aim of confiscating land from the first two for allocation to the last two group;
- ◆ Imposition of strict limitations on rentals and interest rates — that were on a graduated scale with the poorest peasants being the least affected; and
- ◆ Support by the rural population who saw Vietminh’s land restructuring programmes as the most effective means of ensuring tenure security to all.

The installation of the Bao Dai government by the French Government in 1953 did not solve the Vietnamese conflict. This was mainly due to the failure of the new government to implement its modest restrictions on the maximum size of holdings

and controls on land rentals (Prostermann & Riedinger, 1987). After the Geneva Conference, Vietnam was divided into the North and South, with the latter under USA control. The conference had initially proposed for general elections in the whole of Vietnam and the initiation of reforms (which could have ensured tenure security) (Prostermann & Riedinger, 1987 and Callison, 1983). These proposals were however rejected by the American government and Ngo Dinh Diem (from the Bao Dai government) who saw the solution to the problem as a viable separate state for the South. Diem was therefore appointed as the leader of the newly established South Vietnamese territory (under USA control). The failure of the new government to initiate land reform was attributed to the following (Prostermann & Riedinger, 1987):

- ◆ Coming from a first world country, most US officials doubted the importance of land reform in poverty alleviation;
- ◆ Officials who strongly propagated for land reform were usually removed from office;
- ◆ A belief that a land reform programme which favoured the distribution of land to the peasantry could deprive the government of middle-class support (landlords etc.); and
- ◆ Inadequate US technical presence.

As Prostermann & Riedinger (1987) and Callison (1983) have shown, Diem introduced two counterproductive land reforms, i.e. the ineffective regulation of landlord - tenant relationships and an uncontrolled land retention limit. Lack of effective control mechanisms in both cases resulted in the charging of excess rent (more than the 25% limit on gross production) in the first case, and excess retention of maximum land holding by landlords (more than the 100 ha maximum limit) in the second. The retention limit was also in contrast to successful zero

limit retention proved in previous successful land reform programmes (Japan and South Korea). Other problems associated with the Diem reform initiatives included the release of the poorest land portions and the requirement that beneficiaries be responsible for land purchases (as against free distribution by the Vietminh earlier) (Prostremann & Riedinger, 1987). These factors resulted in the execution of Diem by his own generals in November 1963.

The actual distribution of released land — 680 000 ha out of 2.2 million hectares (comprising 20.45% from South Vietnamese landlords and 10.45% from French nationals) was very slow. By 1967 only 250 000 ha of Vietnamese owned land and 5 000 ha of land formerly owned by French nationals had been distributed (Prosternmann & Riedinger, 1987). All the above factors provided fertile ground for the popularity of the opposition Vietminh-Vietcong alliance with its promises of more land to the peasantry. Prosternmann & Riedinger (1987) reported that the war between these movements and the American-led South Vietnamese government was intensified between 1959 and 1967. As of January 1968 for example, it was estimated that about 378 000 Vietnamese rebels were fighting the US and South Vietnamese forces.

With the support of the new pro-land reform American government (with Nixon as President in the late 60s) the new South Vietnamese leader, President Thieu introduced the Land-to-the-Tiller (LTTT) Bill in July 1969 (Prosternmann & Riedinger, 1987 and Callison, 1983). The new legislation proposed for the elimination of tenancy and the expropriation and distribution of all land that the owner did not directly cultivate. It further proposed that beneficiaries to such a redistributive programme be those that cultivated the land, i.e. tenants. However, certain land portions, such as untenanted land that the owner directly utilised for religious purposes and land owned by religious organisations, were exempted

(Prostermann & Riedinger, 1987). Landlords were to be compensated at two and half times the value of the average annual produce. Beneficiary families were to receive a maximum of three and one hectares in the Delta and Central lowlands regions respectively.

The most striking aspect of the South Vietnamese LTTT programme was its transparency (Prostermann & Riedinger, 1987). Right from the pilot stage with the distribution of both the village and government owned land, the process involved a land distribution committee. The committee consisted of the village chief, another village representative, the Commissioner for Land Affairs, the hamlet (part of a village) chief (induna), the village land registrar and a non-voting secretary. Its main functions were to investigate land ownership and its status, determine its average yield (for compensation purposes) and to decide on land applications. All these activities were performed publicly — thus minimising disputes.

Prostermann & Riedinger (1987) and Callison (1983) have hailed the LTTT programme as a success story. Productivity increases of 2.34 tons of rice per hectare were reported between 1973 and 1975 (the year in which South Vietnam fell under communist rule) as compared to 1.92 tons during the tenancy period. Also, owner operated farms in South Vietnam produced more than their communist counterparts in North Vietnam. Besides boosting the morale of the indigenous majority, the new policy also shifted their loyalty towards the government.

2.3.5 Taiwan

Taiwan is a small “tobacco leaf shaped” sub-tropical island found in South East

Asia. It is about 403 kilometres long and 129 kilometres wide at its broadest point, becoming a narrow Cape-like formation in the South (Long, 1991 and Oosthuizen, 1995). Despite its small surface area (2 253 square kilometres) and that only about one-third of it is suitable for human habitation, its 1991 population was about 20 million inhabitants — rendering it one of the most densely populated self governing areas on earth (Long, 1991). Long (1991) further reports that only a quarter of the island is suitable for crop production. The island experiences a very high average rainfall (2 540 mm) and moderate temperatures (about 21.11⁰ C).

Historically, the island was settled by the Chinese (from mainland China) in the 17th to 19th century — who form the highest percentage of the population, with the aboriginal tribes contributing only 1% (Long, 1991). It therefore initially fell under mainland China's rule, but was ceded to Japan in 1895 — an occupation that lasted until the defeat of Japan by the allied forces (Long, 1991 and Oosthuizen, 1995).

Taiwan's independence initiated a developmental phase that has been called an economic miracle of the twentieth century (Long, 1991 and Oosthuizen, 1995). Two major factors which played a significant role in the transformation of the Taiwanese economy were the preparedness of the new Nationalist Government — the KMT (or Kuomintang) — to implement genuine land reform, and the infusion of both economic and military aid by the USA between 1949 and 1967 (Oosthuizen, 1995).

The KMT had realised the beneficial effects of a land reform programme that transferred land ownership to cultivators, but could not initiate the process in mainland China. Two major contributory factors were the fear to lose popular support from landlords and that as most government officials were themselves

private land owners, the move would have deprived them of this important resource (Long, 1991). These impediments were however absent in Taiwan as most government officials had no connection with the local population. The new government therefore initiated the LTTT programme with ease. The reform initiative was achieved in three phases i.e. (Long 1991, and Oosthuizen, 1995):

- ◆ Phase 1 involved the fixing of all rents — setting them at 37.5% of the total annual yield of the main crop.
- ◆ In phase 2 public farmland (which came about when the KMT confiscated land from the Japanese and some local individual land owners) was leased out or sold to tenants. About 61 000 ha of land was distributed in this manner.
- ◆ During phase 3, all land under private ownership was codified for redistribution to tillers. The process initially involved meticulous quality grading of all private landholding. Landlords were only permitted to retain about 1 ha of good quality land, 6 ha of the seventh and 12th grade land and about 8 ha of the poorest quality. Land in excess of these limits was to be sold to tenants. Compensation for lost land was quite acceptable to most landowners: 70% of the purchase price was paid in “land bonds in kind” (rice or sweet potato) and a 30% share in public enterprises (which were soon to be privatised). Beneficiaries were given credit which was equal to the “land bonds in kind “carrying a 4% interest per annum, repayable over a ten year period.

Long (1991) has identified the following as important achievements of Taiwan’s land reform initiatives:

- ◆ A closer movement towards an equitable distribution of wealth to the rural

inhabitants;

- ◆ A 28% increase in owner operated land and a 21% decrease in tenant farming between 1949 and 1953 alone;
- ◆ Domination of the agricultural sector by small-scale farmers;
- ◆ An increase in the agricultural production index from 100 in 1952 to 143 in 1960;
- ◆ A 25% increase in rice production during the above-mentioned period; and
- ◆ Increased crop diversification, notably the expansion in cotton production.

According to Long (1991) government purchased all the agricultural surplus produce (mostly rice) at very low prices while farmers were also required to barter for the state controlled inputs (usually fertilisers) with cheap rice. The state therefore generated enough revenue to commence with its early industrialisation process. By the mid-1980s Taiwan was already counted amongst the most thriving of all developing nations, and now ranks amongst the few industrialised countries of the world.

2.4 Conclusion

The foregoing discussions clearly demonstrate that South Africa has much to learn from other countries. Indigenous inhabitants of all the four countries studied experienced various forms of landlessness. In the African countries examined, i.e. Kenya and Zimbabwe, landlessness resulted mainly from the forced resettlement of black communities in heavily congested communal areas, whereas landlessness in both South Vietnam and Taiwan emanated from land occupation under various tenancies. It can therefore be inferred that African landlessness also deprived its victims from acquiring productive skills, while lack of land ownership in the two East Asian countries impacted negatively on their productive potential —

particularly in that their production conditions could not generate sufficient incentives for increased output. Thus both systems called for restructuring. Explicit in all the four countries studied is that genuine land reform should be geared towards equitable land distribution, production increases and the social well-being of all inhabitants.

The objective of the Swynnerton Plan in Kenya was neither the achievement of equitable land distribution nor the improvement of the social standing of the indigenous inhabitants. Although the granting of land ownership rights had a positive impact on agricultural production, the system failed in a number of important areas. Concentration on granting land rights to some inhabitants of the high lying communal areas only was highly conducive to the creation of massive landlessness. Also, communal areas that did not pose serious soil erosion problems were least affected by these reform measures. Most importantly, the system did not provide any relief to the congestion problem that faced the rural inhabitants as it simply involved altering the existing communal tenure into freeholding.

Productivity increases and a more equitable redistribution of land in Kenya were achieved in the early 1960s with the introduction of genuine land reforms. The new reform initiatives involved the purchase and subdivision of large scale privately held land into small farm divisions, provision of financial assistance to farmers by both the government and foreign donors and redistribution of government owned land to the poor. As indicated above, small farms (less than 2 ha) contributed about 49% of the country's national produce within a twenty year period. This remarkable achievement could perhaps be an important pointer to what a land redistribution mechanism — that extensively exploits the Land Settlement Grant through land market transfers — could achieve for South Africa.

Experiences in both South Vietnam and Taiwan demonstrate the extent to which the peasantry view the importance of the land resource. The success of the militant Vietminh-Vietcong alliance in challenging the military might of the American-led South Vietnamese government could largely be attributed to its promises (and actual provision) of more land to the peasantry. Failure by responsible officials in both countries to address the land needs of those who directly tilled the land — the tenants — only worsened the conflict. A movement towards a genuine commitment to land reform did not only result in remarkable increases in agricultural production, but also improved relations between the government and the peasantry.

Taiwan's remarkable economic achievement is largely attributed to the KMT's preparedness to initiate reforms that addressed the land needs of those that tilled the land i.e. tenants. Beneficiaries were also required to repay the amount paid by government to the previous landlords — thus government funds were not strained. Surplus income from agriculture was mainly utilised to develop a very successful modern industrial sector — resulting in Taiwan being dubbed the economic miracle of the twentieth century.

South Africa's Land Reform Programme has a Land Settlement Grant component that can be utilised by beneficiaries for obtaining housing accommodation or land input acquisition for agricultural production (Department of Land Affairs, 1997a). The fact that most rural inhabitants utilise the grant for the former purpose could largely be attributed to two main factors, i.e. lack of incentives to engage in agricultural production and failure by government to acquire land from the land market for subdivision to small scale farmers (to the same degree as the establishment of settlement villages). It should perhaps be reiterated that most inhabitants of the former homelands lack agricultural production skills. While a

few do possess cultivation rights to small pieces of land, the majority are dependent on migratory labour and pension grants. This explains the lack of interest in opportunities presented by the above mentioned grants — and thus the need for initial government intervention.

CHAPTER 3

AN OVERVIEW OF THE SOUTH AFRICAN LAND REFORM PROGRAMME

3.1 Introduction

The intention of this chapter is to investigate the development — and attempts at reversing — of skewed land ownership in South Africa. Most previous works on this topic attest to the simultaneous existence of two agricultural sectors for South Africa (World Bank, 1994; Gordon, 1988 and Mbongwa et.al, 1996). The second section traces the measures that ensured the perpetuation of the dual structure mentioned above i.e. white commercial large scale farming and the black dominated subsistence small-scale farming. In the third section, attempts at reversing the resultant distorted policy environment are explored. The fourth section concentrates much on the formulation of a democratic policy environment aimed at achieving an equitable land distribution for the country's inhabitants. Options and further developments on the achievement of this new ideal are examined. The last section concludes the chapter.

3.2 The development of the agrarian structure in South Africa

The mid-19th century South African agrarian economy existed within a framework that favoured the coexistence of white and black farmers. The World Bank (1994) reports that at that time South African agriculture consisted of three types of farms: large scale white farms dependent on hired labour, indigenous tenant farms on manorial estates and black owned farms largely practising indigenous farming. Geographically, these farms existed both at the coast and the

interior. Farms in the coast specialised in the production and exporting of horticultural, livestock and field crop products. Interior farming was practised mainly by indigenous farmers for home consumption and surplus marketing. The World Bank (1994) has also indicated that trade between the interior and coastal sub-sectors usually involved the exchange of guns, ammunitions, textile and transport equipment.

According to Mbongwa *et al* (1996), The World Bank (1994) and Gordon (1980), the harmonious farming picture as depicted above was completely altered by the discovery of diamonds and gold in the 1870s and 1880s respectively. The possible viability and efficiency of small-scale farming over its large scale counterpart could have played a major role in the positive response of African farmers towards increased food production. Both The World Bank (1994) and Mbongwa *et al* (1996) report that white farmers petitioned government for protection against the productive advantage of African farmers. Government's protective policies included:

- ◆ The setting up of native reserves comprising of small land pieces with the aim of creating an artificial land shortage. This measure was calculated to force African farmers to seek work on large scale white owned farms.
- ◆ Other measures to discourage African farming such as the imposition of livestock, hut and poll taxes, charging high rentals for road usage and the passing of restrictive laws (vagrancy, pass etc.) were instituted.

Mbongwa *et al* (1996) have shown that the restrictive policies mentioned above were reversed — albeit for a short duration — during the Anglo-Boer war of 1899 to 1902. In their quest for taking over control of the two mineral-rich Boer states at the time — Transvaal and Orange Free State — Britons wooed Africans to a war against the Boers. It was during and after that period that Africans were permitted to buy land or to alter their labour tenancies into share cropping, rental payment or outright purchase of their allotments. The World Bank (1994) has reported that a study conducted in 1904 revealed the African tenure situation of 921 000 African households as follows:

- ◆ 47.56% were labour tenants or rental paying squatters on landlord estates;
- ◆ 19.54% leased state land;
- ◆ 14.12% owned and farmed private land;
- ◆ 13.36% resided on government location; while
- ◆ 5.43% were hired labourers

Small-scale farmers continued to triumph over their large scale counterparts in responding to food demand by the mining industry. In response white farmers appealed to government for more protection. Mbongwa *et al* (1996) have identified some policies that were implemented at that time to discourage African farmers. These included the payment of higher income taxes, strengthening the 19th century restrictive taxes discussed above, the doubling of rental and sharecropping tax and forcing Africans to sell off or remove cattle in excess of those required to pull an ox-plough. In certain circumstances, force was applied to remove squatters.

Letsoalo (1987) reported that the restrictive measures mentioned above were further strengthened by the Union Government when it came to power in 1910.

The most restrictive legislation instituted by the ruling South African Party was the Native Land Act No. 27 of 1913. This Act secured the permanent removal of African farmers from effective land use.

Under this Act:

- ◆ Codified native reserves (scheduled areas) were established. The reserves (comprising 7% of SA's total land surface, but increased later to about 13%), were the major areas where blacks were legally allowed to reside and to practise farming. In addition, the act prohibited land trading between blacks and whites. As a result some blacks who acquired land before the promulgation of this act continued land ownership in white demarcated areas (the so-called "black spots"). These areas became the focal points for forced removals in the 1970s and 1980s.
- ◆ Whereas private land holding, mortgaging and sale of land within the reserves were prohibited, members of other racial groups were permitted to acquire sites within these areas, but only for conducting business trade.
- ◆ Natives were not allowed to buy or otherwise acquire land outside the reserves unless permission was obtained from the governor-general.

Letsoalo (1987) reports that by 1916 the government had realised that the scheduled areas had insufficient capacity to accommodate the many black inhabitants targeted for those areas. The recommendation of the Beaumont Commission of that year (that an extra 6% of land be added into the reserves) was strongly opposed by the white electorate. It was only 20 years later (in 1936) that the recommended quota was released through the Native Trust Land Act No. 18 of 1936. According to Mbongwa *et al* (1996) and the World Bank (1994) the primary objective of the two land acts was to devise an artificial land shortage for

the native inhabitants. Short of land on which to practise farming, it was well calculated that they would become an important labour reserve for both the mining industry and the white commercial farming sector.

According to the World Bank (1994), government passed several other acts to ensure the supply of cheap African labour. Some of these were:

- ◆ The Master and Servants Acts of 1911 and 1932 which made it illegal for servants to change employers, breaking contracts and assigning their family members to other employers;
- ◆ The Native Regulation Act of 1911 which provided for the registration of all job seeking natives (both male and female) with a labour bureau;
- ◆ The Prisons Act of 1911 which permitted the use of prisoners on white owned estates at very low costs.

Contrary to the wishes of government and the white farming community that the labour force for the mining industry would mainly be drawn from the reserves, the actual situation turned out to be somewhat different (Gordon, 1988). The late 1930s and early 1940s instead witnessed the exodus of farm labourers to towns and cities for better working conditions there. As a result, many farms experienced widespread labour shortages. White farmers blamed the labour tenancy system as the major contributing factor towards their problem (Gordon, 1988). They therefore called for the abolishing of this form of tenancy in favour of two separate wage paid labour forces, one each for the industrial and farming sectors. According to such an arrangement, wage dependent farm labourers would be prevented from leaving the farm to the industrial sector. The government's rejection of this proposal and the subsequent increase in farm out-migration especially after the Second World War is thought to have contributed greatly to its

loss of power to the opposition National Party during the 1948 white dominated elections (Gordon, 1998).

The National Party Government introduced the most brutal form of racial discrimination (Letsoalo, 1987; World Bank, 1994 and Gordon, 1988). This form of segregation, termed “Apartheid” was aimed at the facilitation of White political control. Some of its stated objectives included the division of Africans along tribal and ethnic lines, protecting the interests of the white working class and preserving their cultural identity. Apartheid’s unstated objectives were to retain the provisions of the Land Acts, continuing white land settlement and advancing the white agrarian economy through the promotion of large commercial farming. Acts that were aimed at fostering racial, tribal and ethnic discrimination were introduced. These included the Native Authorities Act of 1951, The Promotion of Bantu Self Government Act of 1959 and the Bantu Homeland Citizenship Act of 1970 (Letsoalo, 1987). The objectives of these Acts are outlined in Table 3.1.

The creation of the reserves opened up vast areas of land for white settlement. The World Bank (1994) states that the Land Settlement Act of 1912 made provision for easy acquisition, exchange and disposal of state land to the white farming class. In particular, the Act vested powers on the Minister of Lands to:

- ◆ Identify and subdivide state land into suitable holdings for white occupation;
- ◆ Utilise state funds to purchase privately owned land for redistribution to poor white farmers;
- ◆ Provide cheap loans to white farmers for the purchase of farm capital goods and other inputs; and

Table 3.1: Some Acts passed after 1948

NAME OF ACT	AIM / OBJECTIVE
The Native Authorities Act of 1951	Establishment of black national units
The Promotion of Bantu Self - Governing Act of 1959	Artificial creation of homelands for Pedi, Sotho, Tswana, Swazi, Tsonga, Venda, Xhosa and Zulu
The Bantu Homeland Citizenship Act of 1970	Every African was automatically made a citizen of a particular homeland

Source: World Bank, 1994.

- ◆ Make provision for emerging white farmers of good character who were in possession of relevant farming qualifications and 18 years or above to lease state land for a renewable 5 year period.

Favourable concessions provided to white farmers included subsidised interest rates, tax breaks and price support through various agricultural control boards. Coupled with cheap loans, these factors contributed to increased commercialisation of the white farming sector and large scale substitution of capital for labour (World Bank, 1994 and Kirsten & Van Zyl, 1996). As a result, the country experienced continued agricultural output growth and surplus food production. According to Kirsten & Van Zyl (1996) the South African government had a number of reasons for promoting surplus food production. Two of these were that:

- ◆ The outside world was increasingly becoming hostile and antagonistic towards the country's apartheid policy. This was reflected through the imposition of sanctions by the country's main trading partners; and
- ◆ Surplus agricultural production was seen as a mechanism to earn foreign exchange, more especially in a world hounded by chronic food shortages.

The production of excess food created a number of problems for the South African economy (Kirsten & Van Zyl, 1996). Huge expenditures on farmer subsidies meant substantial welfare losses to the country as a whole. The existence of agricultural control boards ensured that despite the production of surpluses, food prices kept on rising — resulting in many inhabitants being undernourished or going hungry on a daily basis. By the mid-1980s it became clear that South Africa could no more continue to protect its distortionary policies. A process of policy reversal — the subject of the next sub-section — became imperative.

3.3 Reversal of distortionary policies

Major policy shifts in the agricultural sector commenced in the early 1980s (Brand *et al*, 1992). The process was enhanced by the promulgation of the White Paper on Agricultural Policy (Kirsten & Van Zyl, 1996). In the agricultural sector, policy reversal consisted mainly of removing racial barriers between black and white agriculture as well as liberalising and democratising the sector. The White Paper was specifically aimed at achieving sound production and marketing goals. Sound production was to be accomplished through the optimum utilisation of agricultural resources, including a well trained and financially viable calibre of farmers. Sound marketing was to be attained through upholding the principle of free marketing and the gradual eradication of agricultural control boards.

Some consequences of the policy shift are briefly exposed below (Brand *et al*, 1992; Kirsten & Van Zyl, 1996, and the World Bank, 1994):

- ◆ A more than 50% decrease in budgetary allocation to farmers;
- ◆ Deregulation of controlled marketing and liberalisation of price controls in large parts of the farming sector (such as changing the cost-plus price setting system to allow market price determination);
- ◆ Scrapping of both the 1913 and 1936 Land Acts;
- ◆ Alteration of tax concessions for the agricultural sector such as the extension of the writing off of purchased capital from one to three years;
- ◆ Inclusion of farm workers in the Basic Conditions of Employment Act in May 1993; and
- ◆ The transformation of the Department of Development Aid to that of Land Affairs and the amalgamation of all former agricultural departments.

3.4 Formulating a new land reform programme for South Africa

In 1993 the Land and Agricultural Policy Centre (LAPC) and the World Bank commissioned a team of South African and international researchers to formulate a new land policy for a democratic South Africa (van den Brink *et al*, 1996). The team was specifically tasked to find possible answers to important land policy problems such as: the type of property relations, possible size and use options of a family (or group) farm, likely fiscal cost of a market assisted land reform programme and the total income that could be derived from farming (van den Brink *et al*, 1996). This study was followed by the ANC's Reconstruction and Development Programme and the Department of Land Affairs's Framework Document on Land Policy.

Three development options which were identified by the above-mentioned team are discussed below (World Bank, 1994):

The first option envisaged the continuation of the mid-1980s liberalisation process with the likelihood that this would increase bankruptcies amongst large scale farms. It was thought that in the end, this process would lead to the expansion of the existing small-scale farming and the labour intensive horticultural sectors. The major problem associated with this option was that it would be slowed down by the failure of potential beneficiaries to gain access to the land market (due to financial constraints).

The second option thought to achieve agrarian development through coupling the first alternative with a rural development strategy for homeland areas. However, at that time any attempt at concentrating development in the homelands could have been interpreted as a continuation of the separate development policy. The option also failed to address the land distribution problem.

The third option was to encompass the two strategies mentioned above while simultaneously introducing a land reform programme. Advantages attributed to this choice included the reduction of uncertainty to current land owners, addressing inequitable land distribution and encouraging land occupation by interested disadvantaged individuals.

Through the RDP document, the ANC (1994) intended to initiate a land reform programme that would recognise land as the most basic need for rural dwellers. The organisation also pointed out to the need for a democratic government to make provision for infrastructure, support services, training to disadvantaged communities and a land reform programme that would be gender sensitive.

The Framework Document on Land Policy (1995) initiated a process of public consultation on issues related to land policy. It attracted submissions from more than 50 organisations, including farmers' associations, government departments, non-governmental organisations and other concerned groups. The submissions were refined and developed by experts on land policy into another document — the Draft Statement of Land Policy and Principles (Department of Land Affairs, 1996). The latter document formed the basis for discussions at the National Land Policy Conference held towards the end of 1995 (Department of Land Affairs, 1995). The conference envisaged a land reform programme that would provide land rights to the landless, farm workers, labour tenants, women and those who were dispossessed of their land through discriminatory practices (Department of Land Affairs, 1995). The conference culminated with the writing of the Green Paper on South African Land Policy (Department of Land Affairs, 1996)

The White Paper on South African Land Policy (Department of Land Affairs, 1997a) which emanated from consultative discussions amongst various stakeholders identified the objectives of a South African land reform programme as that of putting land into productive use and of increasing job opportunities. It also envisaged a land reform programme that would redistribute land after going through the restitution and tenure reform processes. According to the Department of Land Affairs (1997a), anticipated constraints to a land reform programme included limited macro-economic and fiscal resources, the property rights clause in the Interim Constitution, weak organisation of local government structures, shortage of personnel and institutional stumbling blocks (high transaction costs, lack of collateral provision etc.).

The achievement of a sustainable land reform had been paramount in the formulation of the White Paper on South African Land Policy. Legislation has

therefore been promulgated under each main element of a land reform programme. (See Table 3.2). As can be observed from the table, each law sought to achieve a specific objective.

The need for the restoration of the rights to land stems from the implementation of various discriminatory land policies by previous governments. Following a new dispensation for the country, most discriminatory laws — notably the two restrictive Land Acts — were repealed in 1991. The process was further enhanced by the promulgation of the Restitution of Land Rights Act No 22 of 1994 and the amended Abolition of Racially Based Land Measures Act No 108 of 1996. These were in particular enacted to bring about justice to those who lost their freehold and unsurveyed land (traditionally considered as land for African occupation) (Klug, 1996).

The Restitution Act was particularly promulgated to address land dispossession (which resulted in landlessness), inadequate compensation and general hardship that could not be measured in financial terms (Department of Land Affairs, 1997a). This was to be achieved either through a process whereby claimants and present land owners would come to an agreement regarding the land claim or through arbitration by the Land Claims Court. While it was a precondition that the whole process be guided by the principle of fairness and justice, a need for taking the broader development interest of the country and for ensuring the responsible utilisation of the state's limited resources was recognised. Claimants were to be those who were dispossessed of their land after the 19th of June 1913 under racially discriminatory laws. Claims could also be lodged under the following conditions (Department of Land Affairs):

Table 3.2 Laws and their accomplishment under each element of the South African land reform programme.

REFORM ITEM	LAW/ SERVICE	ACCOMPLISHMENT
REDISTRIBUTION	Presidential Commission of Inquiry on Rural Financial services Provincial panel of planners Facilitation service	Recommended that rural communities receive financial assistance Assisted Provincial DLA'S in selecting beneficiaries Supported communities with land issues
RESTITUTION	Restitution of Land Rights act 22 of 1994	Established Commission of Restitution of land Rights in 1995. Up to April 1997, 14898 cases most of which were urban were lodged country ⁿ - wide
LAND TENURE	Interim Protection of Informal Land Rights Act, 31 of 1996 Land Reform (Labour Tenants) Act, 3 of 1996 Communal Property Association Act, 28 of 1996 Upgrading of Land Tenure Rights Act, 112, of 1991	Protected people with informal land rights. Investigations were underway. People cannot be moved until results are out. Ensured the security of labour tenants. Legally protected individuals who intended to own land collectively Brought Act with new government policy on conversion of land rights

- ◆ By claimants who had registered/unregistered rights and interest to the land;
 - ◆ If the claimant could prove long term rights or other occupational rights.
- These rights were not to be limited to rights recognised by law or ownership.

The Department of Land Affairs (1997a) identified the following forms of restitution:

- ◆ Restoration of dispossessed land;
- ◆ Provision of alternative land;
- ◆ Payment of compensation; and
- ◆ Alternative relief such as the sharing of land, service provision, infrastructural development and the combination of the three forms identified above.

By April 1997 many claims had been lodged with the Commission on Restitution of Land Rights (see Table 3.2). The processing of claims has however, been hindered by a number of stumbling blocks, such as individuals who saw the process as a quick enrichment scheme (by acting as processing agents), the determination of rightful owners (especially in communal set-ups) and the resistance to restitution by private landowners. Another factor that has contributed to the slow implementation of the restitution process is the huge number of individuals who were dispossessed under various segregation policies of the former governments (about 3.5 million) (Department of Land Affairs, 1997a).

Some progress has however been made, more especially as regards to establishing preparatory mechanisms. The most visible of these are institutions, policies and systems set up to drive the process (Department of Land Affairs, 1997a). The Department of Land Affairs (1997a) further indicates that the speed at which the restitution process will achieve its objectives will largely depend on the active participation of all the role players (Commission on Restitution of Land Rights, Land Claims Court, current owners and claimants themselves). Tenure reform was primarily aimed at providing legally protected security of tenure to those living on land that belong to others (farms, communal areas, peri-urban areas and privately owned “black spots”) (Department of Land Affairs, 1997a). A number of enabling acts have been passed towards the attainment of this ideal. These

include the Upgrading of Land Tenure Rights Act No 112 of 1991; the Land Reform (Labour Tenants) Act No 3 of 1996; the Communal Properties Association Act No 28 of 1996 and the Interim Protection of Informal Land Rights Act No 31 of 1996 (See Table 3.2).

The insecurity of the landless, tenants, farm workers and refugees — a characteristic of the land tenure types identified above — present equal problems to both the victims and the landowners. In most instances the evicted have counteracted through violent resistance. In response to this dilemma, parliament passed the Extension of Security of Tenure Bill (which has subsequently become law). Its main objective is to create alternatives which would provide security of tenure and permanent land rights to people living under vulnerable and subservient conditions. The Act provides that a land occupier can only be evicted following the due process of the law (Department of Land Affairs, 1997a).

The insecurity of residents in communal areas has received special government attention. Two acts have been enacted to ensure the security of those who occupy land under this tenure system (Department of Land Affairs, 1996). These are the Upgrading of Land Tenure Rights Amendment Act No 34 of 1996 and the Interim Amendment of Informal Land Rights Act Number 31 of 1996. Under these acts, appropriate mechanisms to ensure effective transfer of land held by the South African Development Trust and tribally occupied land held in trust by the state have been put in place.

The early and mid-1990s were therefore characterised by a genuine commitment towards a sustainable land reform for South Africa. The success of this initiative can probably be determined through practical implementation and observation. The next chapter, which forms the main theme of this research report, will strive

to establish the progress made towards land reform in South Africa, with specific reference to the Northern Province.

3.5 Summary

Policies directed at denying land rights to the indigenous African communities in the Transvaal and Orange Free State were temporarily relaxed during the Anglo-Boer War of 1899-1902. During that period and immediately thereafter, Africans were permitted to either rent or purchase land. Their superiority in providing enough food to the mining houses led to pressure by the white farming community for government protection. The promulgation of the 1913 and 1936 Land Acts was aimed specifically at denying land rights to the Union's black inhabitants. The resultant reserves were structured to create an artificial land shortage for African farming. It was envisaged that short of land on which to practise agricultural production, many African farmers would seek employment on large commercial farms. Better working conditions in industries however, attracted both residents of the reserves and farm workers to cities. The white commercial farmers pressurised government to curb the exodus by instituting laws that would prevent the free movement of farm workers between the farming sector and other industries. Government's failure to accede to this request has been cited as the major reason for its loss of political power to the National Party during the 1948 white elections.

The application of distortionary measures favouring white farmers could however not be sustained. A process of restructuring the agricultural sector began earnestly around the mid-1980s. Commencing from that period, subsidisation of commercial farming was gradually reduced and ultimately discontinued. Marketing control boards were completely abolished in 1997. As a result many farmers started to

experience financial difficulties. While a reasonable number did leave the farming sector, there were those who were encouraged to remain farming through the existence of various financial support schemes.

The early 1990s also witnessed the emergence of a desire to restructure the agrarian sector in such a way that the poor and landless could benefit. A team of specialist researchers was commissioned by the World Bank and the LAPC to formulate a new land policy for South Africa. Their contributions initiated a process that sought to establish long term solutions to South Africa's problems. The White Paper on South African Land Policy — a document that embraces the interests and aspirations of all stakeholders in land — is the culmination of a process that was initiated by these scientists. Amongst others, the document has identified the need for the restoration of land rights to those dispossessed through various discriminatory laws and to reform the various land tenure systems, particularly those that denied security of tenure to their respective occupants. The desire for an effective land reform process has resulted in the passing of various enabling Acts. Some of these have been identified in this chapter. The next chapter seeks to make an assessment of the land reform programme in the Northern Province as an indication of the general progress of land reform in South Africa.

CHAPTER 4

AN EVALUATION OF THE LAND REFORM PROGRAMME IN THE NORTHERN PROVINCE

4.1 Introduction

A sustainable transformation of land ownership in South Africa has been identified as one important factor that could assist the government in its endeavour to redress the injustices of the past (Department of Land Affairs, 1997a). Three major land reform categories — land redistribution, tenure reform and restitution — are therefore seen as important mechanisms to achieve this goal. The Department of Land Affairs has initiated pilot land reform programmes nationwide to be implemented simultaneously with the major reform items. A two year pilot implementation period — commencing in March 1995 — was set aside so as to allow the pilot programme enough time to test mechanisms on a regional basis.

Genuine land redistribution could perhaps be determined by the extent to which a large area of land formerly under white ownership is redistributed to disadvantaged communities. This chapter therefore explores the extent of land redistribution in the former white occupied districts of Potgietersrus, Pietersburg and Soutpansberg between 1994 and 1997.

The chapter is divided into five sections. The second part of this chapter investigates the progress of the Gillemberg land reform pilot programme. It begins by providing the historic background to the pilot area, its selection as a pilot district and implementation bottlenecks. The analysis is concluded by an

investigation of the different views held by all stakeholders in the Gillemberg Land Reform Pilot Programme (LRPP) and a synopsis of the programme's failure.

The third section previews the general progress of the land redistribution programme in the province. Data compiled from Deeds Office records in Pretoria is extensively used to expose the extent of redistribution through the land market. Particular attention is directed at land transfers to black individuals, groups (associations) and tribes. Institutional land redistribution mechanisms that include the initiation of projects and the leasing of state land are briefly explored.

The fourth section reviews specific tenure issues addressed by the Northern Province Department of Land Affairs.

The last section investigates the extent of restitution in the Northern Province. Attention is directed at rural based restitution cases as these are the most prevalent in the province.

4.2 The Gillemberg Land Reform Pilot Programme

4.2.1 Brief history of Gillemberg

Gillemberg forms the biggest portion of the former white area commonly known as Witvinger, so-called because of its finger-like protrusion into the former Lebowa Homeland. The area — which is situated 45 kilometres North of Potgietersrus — was bought in 1973 from a group of white commercial farmers by the National Party Government for the resettlement of the Mokgorong community from Mokerong (see Appendix A). The envisaged forced resettlement of the Mokgorong community failed to materialise however, prompting the former

government to place Gillemberg under the custodianship of the South African Development Trust (S.A.D.T). Through Gillemberg Boerdery, the area was developed into a commercial project with a focus on job creation and skills training for the surrounding communities of Mapela, Matlala-a-Thaba, Matlala-Bavaria, Bakenberg and Mashashane. Subsequent agricultural surveys and planning established economic farming units structured in a manner that could permit the privatisation and sale of production units to aspirant black farmers under expatriate management. This ideal was yet to be achieved.

Gillemberg covers about 51 000 hectares comprising 29 former white commercial farms. The farms have been replanned into 41 cattle units, citrus orchards covering a total of 480 hectares and a conservation area under the custodianship of the Department of Conservation and Tourism. Infrastructural developments within the area include educational institutions such as the well-known Harry Oppenheimer Agricultural High School, provincial and tertiary routes, a butchery and a general dealer (see Appendix B, C and D). A total of 14 small communities comprising farm workers and residents (who remained after the take-over of the original tribal land by the 29 farmers mentioned above, and later after the farms' acquisitions by the S.A.D.T) are scattered all over the area. An unpublished report by the former Department of Agriculture and Forestry reveals that the area experiences a dry climate with inconsistent summer rainfall. Summers are occasionally very hot (about 30⁰C) while winters can be quite cold (approximately 8⁰C). Sometimes strong winds are experienced between October and January. These — coupled with low relative humidity — are usually responsible for high evaporation rates and plant moisture stress. The report also indicates that the area experiences frost mostly between early June and early August. The table below reveals the soil condition of the 41 cattle units at Gillemberg. It clearly shows that most of Gillemberg is not suited for crop production.

Table 4.1 The condition of soil at Gillemberg (Department of Local Government and Traditional Affairs, 1996)

NUMBER OF UNITS	AREA (Ha)	SOIL CONDITION
14	5045	High salts
16	4668	No salts
07	1731	Moderate salts

As from 1994 Gillemberg Boerdery has been placed under the management of the Agricultural and Rural Development Corporation (ARDC). As discussions ahead will show, the area was selected as a pilot district for the Northern Province Land Reform Pilot Programme.

4.2.2 Selection as a pilot district

The Northern Province Land Reform Pilot Programme was entrusted to the Department of Local Government and Traditional Authorities on an agency basis. That department was tasked to implement the programme within a two year period, effective from March 1995.

When selecting the pilot district the agency department had to ensure that the district satisfied as many of the following conditions as possible (Lund, 1996 and Department of Local Government and Traditional Affairs, 1996):

- ◆ State owned land:
- ◆ Potential for leasehold land use;

- ◆ Private land for acquisition;
- ◆ Rural, peri-urban, small town conditions;
- ◆ Communities seeking restitution;
- ◆ Organised/unorganised communities/groups with land needs;
- ◆ Small groups and larger groups/communities as potential beneficiaries; and
- ◆ High rates poverty

Factors that influenced the Northern Province's Department of Local Government and Traditional Affairs to select Gillemberg as its pilot district included (Mahapa, 1997).

- ◆ The size of viable state land that needed to be disposed;
- ◆ Development and potential growth in the area;
- ◆ High level of poverty experienced by most residents of the surrounding communities including farm workers and residents at Gillemberg itself; and
- ◆ Available infrastructure (orchards, cattle units, roads etc.).

Table 4.2 provides the potential farm worker population within the selected area.

As indicated in section 4.2.1 above, at the time of its selection as a pilot area, Gillemberg had already been planned and developed by the former Department of Agriculture and Forestry. The Northern Province Land Reform Pilot Programme therefore simply adopted the plan as drafted in 1988 by the South African Development Trust Corporation for the Department of Agriculture. With the assistance of the new Department of Agriculture and ARDC, few amendments to the original plan were effected. The new plan suggested that the 41 farming units be allocated to selected beneficiaries and that Gillemberg dwellers be moved to an agri-village (with all necessary infrastructure). The citrus orchards covering 480

Table 4.2 Potential farm worker population for Gillemberg (Department of Local Government and Traditional Affairs, 1996)

AREA NAME	FARM WORKER POPULATION
Bakenberg	130 000
Mapela	84 000
Matlala – Bavaria	70 000
Mashashane	41 000
Matlala – Thaba	50 000
Gillemberg	2 000
TOTAL	377 000

hectares were to remain unaltered. It was envisaged that these orchards would ultimately be transformed into share schemes for farm workers. As discussions ahead will show, the agri-village concept was used extensively to derail the pilot programme.

4.2.3 Programme implementation

4.2.3.1 Preliminary arrangements.

The National Department of Land Affairs (National - DLA) directed that the LRPP be implemented in line with the Core Business Plan which was supplied to all provincial governments. Amongst others, the plan suggested the following institutional structures:

- ◆ An agency agreement between National-DLA and a provincial department;
- ◆ A Provincial Land Reform Steering Committee chaired by an official from the Agency department. Committee members were to emanate from the different provincial departments (mainly Agriculture, Land Affairs and Local Government and Traditional Affairs);
- ◆ A pilot district office whose main task would be to establish area projects and to facilitate contact with beneficiary communities/ households; and
- ◆ A provincial-DLA Director with no formal responsibility for the pilot but who would serve as a member of the steering committee and also attend to all non-pilot land reform cases.

In addition the National-DLA provided every provincial agency department with a progress to time plan that was structured in a manner that could ensure recording of specific task completion. The plan — which had provision for time frames — is outlined in Appendix E.

The agency department immediately embarked upon the planning process, particularly the selection of a Provincial Steering Committee, the identification of the pilot area (as outlined in section 4.2.2 above) and the drawing up of a budget proposal for submission to the National-DLA (See Table 4.3 below).

The National-DLA had recognised the paramount importance of financial assistance to those targeted for the land reform programme. Further preliminary arrangements therefore involved making provision for grant financing to the poor, the landless, farm labourers and those who required financial assistance for securing and upgrading their unfavourable tenure conditions. Two types of grant

Table 4.3: The LRPP budget proposal for the Northern Province for the financial years 1995 to 1997

	1995			1996					1997			
	QUARTER			QUARTER					QUARTER			GRAND
	3rd R000	4th R000	Total R000	1st R000	2nd R000	3rd R000	4th R000	Total R000	1st R000	2nd R000	Total R000	TOTAL R000
Personnel	149	149		149	149	149	149	596	149	149	248	1043
Administration	46	23	69	23	23	23	23	982	23	23	46	207
Stores	2	2	4	2	2	2	2	8	2	2	4	16
Equipment	140	140										140
Professional services	200	200		400	800	800	800	2800				3000
Land and Buildings				5 00	500	1000	1500	3500	3500	4000	7500	11000
Other					3000	3000	6000		6000	6500	12500	18500
Transfer Payments		562						12996				20298
TOTAL	48	514	562	1074	1474	4974	5474	12996	9674	10674	20298	33906

financing were identified and directed at the disadvantaged, i.e. the Settlement Land Acquisition and the Settlement Planning Grants (Department of Land Affairs, 1997a, and The Northern Province Department of Local Government and Traditional Affairs, 1996). The Settlement/Land Acquisition Grant is a once off grant of up to R15 000, while the Settlement Planning Grant is aimed at assisting the poor communities to plan for their settlement needs. Through the application of the latter grant, beneficiaries were at liberty to acquire the services of a high calibre team of planners.

The agency department in the Northern Province budgeted amounts totalling about R10 200 000 and R3 000 000 for the Settlement/Land Acquisition and the

Settlement Planning Grants respectively.

4.2.3.2 Activities of the Provincial Steering Committee

The Northern Province's Provincial Steering Committee was established in March 1995. Amongst other functions, this committee was tasked with the responsibility to:

- ◆ Establish a district office for the LRPP;
- ◆ Ensure the selection of appropriate beneficiaries to the LRPP in line with national criteria;
- ◆ Recommend to the provincial government the disbursement of funds for planning in terms of agreed cash flow plans and approved procedures; and
- ◆ Resolve any matter of dispute as may arise during the execution of the programme.

The following paragraphs evaluate activities of the Provincial Steering Committee (PSC) in achieving the above mentioned objectives.

The pilot district office was established a year later after the commencement of the LRPP. A three member team consisting of the District Manager, Assistant District Manager and a Senior Administration Officer commenced duty with effect from 01 March 1996. The team had to grapple with a massive workload within one of the biggest pilot districts in South Africa. In July 1996 the PSC drafted a business plan which identified the following projects on Gillelberg (as planned in 1988 by the former National Department of Agriculture):

- ◆ A nature reserve with potential for eco-tourism.
- ◆ A citrus operation comprising of the growing, packing and sale of produce.
- ◆ An 18 hectare tobacco irrigation scheme. The PSC intended to investigate the possible expansion of this facility.
- ◆ A total of 41 cattle units covering more than 11 000 hectares. Possibilities that the PSC set itself to investigate included the sub-division of these units to accommodate an optimum number of beneficiaries, the introduction of other livestock and the potential for farmer settlement on these units.
- ◆ A disused piggery and broiler. It was the intention of the PSC to investigate this facility's potential for re-establishment and expansion.
- ◆ A centralised processing and marketing facility. The PSC intended to investigate the potential for other economic projects such as juice manufacturing, abattoirs, canning, farmers' credit company and a farmer supply store.

At the completion of the LRPP's two year term in March 1997, very little if any progress had been made towards the achievement of the programme's objectives. An examination of the programme's actual financial expenditure up to September 1996 confirms this assessment (See Table 4.4).

As stated above, most of the projects required planning by professional agencies. However, up to September 1996, no financial commitment had been placed on this item. This factor clarifies the non-initiation of projects up to the conclusion of the programme in March 1997. The table also reveals that more than 50% of the amount spent went to expenditure on personnel. Other contributory factors could have been the late appointment of the pilot district personnel and the moratorium

Table 4.4: Actual expenditure on the Gillemberg Land Reform Programme up to September 1996

ITEM	AMOUNT SPENT	%
Personnel	R 157 377.89	51.28
Administration	R 125 073.36	40.75
Equipment	R 24 960.36	7.97
Professional services	R 0.00	0.00
Land and building	R 0.00	0.00
Miscellaneous	R 0.00	0.00
TOTAL	R 306 914 . 66	100

placed on the programme by farm workers and residents of Gillemberg with the assistance of a non-governmental organisation (See 4.2.4 below). (Discussions with a middle management official in December 1998 have shown that —except for further expenditure on personnel — the picture as depicted above has remained unchanged).

Towards the end of 1996, the PSC embarked on the process of beneficiary selection based on criteria set down by the Northern Province's Department of Agriculture (See Appendix F). Envisaged duties of the PSC during the farmer settlement phase included the appointment of task teams (planning, selection and

after care) together with the monitoring, evaluation and recommendation of the whole process. Due to the moratorium (discussed below) the selection process never materialised.

4.2.4 A moratorium on the Gillemberg Land Reform Pilot Programme

Towards the end of November 1996, the pursuits of the Northern Province Steering Committee were conducive for the selection of beneficiaries. At that time the PSC convened a meeting attended by all stakeholders. The main purpose of the meeting was to constitute the Beneficiary Selection Committee (BSC). Deliberations at that meeting produced enough inputs for the compilation of a beneficiary selection draft document suited to the Gillemberg projects. The District Office was given the responsibility of preparing a final draft for submission and approval by the PSC in January 1997 (See Appendix G).

At the time when the PSC was grappling with the formation of the BSC, farm workers and residents of Gillemberg forwarded a memorandum of complaints to the agency and other departments via the ARDC. The major concern of this group was its exclusion from the District Forum — a body that represented the aspirations of all potential beneficiaries. Concerns were also raised regarding the “forced” removal of farm workers and residents to an envisaged agri-village without proper consultations. The group indicated that as they possessed beneficial occupation of Gillemberg, they qualified for prioritisation in beneficiary selection.

The above incidents prompted the District Forum to submit a counter memorandum to the agency department in which they accused ARDC of derailing the pilot programme. In response ARDC indicated that they merely assisted farm

workers and residents of Gillemberg with the processing of the memorandum, and denied all inferences to their derailing the LRPP.

Through the assistance of a non-governmental organisation, farm workers and residents of Gillemberg forwarded their concerns to the National Department of Land Affairs. Specific problems raised by farm workers and residents of Gillemberg to the National Department of Land Affairs included the following:

- ◆ That both the PSC and the District office were denying them representation to the PSC;
- ◆ That during its consultative meeting with all potential beneficiaries to the Gillemberg LRPP, the National-DLA ministry inferred that farm workers and residents of Gillemberg would receive priority in beneficiary selection. They therefore viewed their envisaged relocation to an agri-village as a violation of their rights to land ; and
- ◆ That most members of the District Forum held the belief that they themselves would be beneficiaries to the LRPP. This view was reached after some members had indicated during meetings that they possessed capital and livestock to commence farming activities with immediate effect.

In response DLA-National immediately imposed a moratorium on the LRPP pending further investigations. The moratorium — which prevented the advertisement of applications for the selection of beneficiaries — was seriously questioned by the agency department which alleged that the PSC had as yet not discussed tenure problems pertaining to the pilot area. Concern was raised to the effect that as the moratorium prevented the compilation of beneficiary figures, the agency department was not in a position to prepare business plans as requested by DLA-National.

A meeting between the PSC and the DLA-National's Monitoring and Evaluation division in mid-April 1997 reached the following resolutions:

- ◆ That the moratorium imposed on the LRPP be lifted, on condition that the existing gaps — particularly lack of proper consultation between the District Office and all potential beneficiaries — be closed;
- ◆ That the PSC needed to acknowledge that the LRPP sought to test effective land redistribution mechanisms for the whole country, taking into consideration conditions prevailing in all the provinces. The achievement of this ideal required that the LRPP be demand-driven and needs-based;
- ◆ That a workshop for empowering the PSC on land redistribution needed to be arranged by DLA-National as a matter of urgency.

4.2.5 Views held by different stakeholders on the Gillemberg Land Reform Pilot Programme

4.2.5.1. Introduction

In July 1997 a survey was conducted primarily for the extraction of views held by the major stakeholders in the Gillemberg LRPP. Unstructured questionnaires were drafted and directed at the following:

- ◆ Members of the five communities surrounding Gillemberg;
- ◆ Farm workers and residents of Gillemberg;
- ◆ ARDC officials based at Gillemberg; and
- ◆ The Provincial Steering Committee.

To facilitate data processing, most of the responses and discussions were recorded by means of an electronic device.

4.2.5.2. Views held by members of the surrounding communities

Three executive members of the District Forum and six ordinary members (mostly women) were interviewed under this category (See Table 4.5)

Most respondents (55.56%) claimed ancestral land occupation of their respective villages, while a significant number (22.22%) reported that their ancestors were forcibly removed from Gillemberg under various discriminatory laws. This seemed to suggest that some members of the surrounding communities could perhaps claim certain portions of Gillemberg under the Restitution of Land Rights Act. Some indicated during the interviews that this was the route that they initially intended to follow. Their possible selection as beneficiaries to the LRPP however prevented them from following this path.

In response to a question that sought to uncover the group's knowledge of the existence and purpose of land reform, all members interviewed responded in the affirmative. The majority (66.67%) believed that land reform was particularly aimed at redressing past injustices. The remainder associated the process with agricultural production (22.22%) or as a source of continued suffering (11.11%)

The questionnaire also sought to uncover the respondents' views on potential beneficiaries to the Gillemberg LRPP. The majority (77.77%) considered themselves potential beneficiaries. Considering that most respondents were members of the District Forum, this seemed to confirm the fears raised by farm workers and residents of Gillemberg in their memorandum to the DLA- National.

Table 4.5: Combined responses from communities surrounding Gillemberg

ITEMS RESEARCHED	% RESPONSE	
THE FAMILY	(a) Originates locally	55.56
	(b) Originates elsewhere	22.22
	(c) Was removed from Gillemberg	22.22
ASSOCIATES LAND REFORM WITH	(a) Agricultural production	22.22
	(b) Redressing injustices	66.67
	(c) Housing development	0.00
	(d) To cause more suffering	11.11
BENEFICIARY SHOULD BE	(a) Self	77.77
	(b) Gillemberg residents	0.00
	(c) Business people	11.11
	(d) Does not know	11.11
REASONS FOR BENEFITING	(a) To farm	66.67
	(b) To relieve congestion	0.00
	(c) To reduce poverty	11.11
	(d) No response	11.11
IF SITE IS GRANTED	(a) To stay on the farm permanently	22.22
	(b) To farm and back home	22.22
	(c) Will commute to farm	55.56

Reasons for participating in the programme ranged from farming (66.67%) to poverty reduction (11.11%) and self employment (11.11%). If selected as beneficiaries, most (55.56%) were prepared to commute between their farm units

and village residences, while only a few (22.22% each) were prepared to either stay on the farm permanently or occasionally.

Further extensive discussions with the District Forum leadership revealed the following:

- ◆ Progress at Gillemberg had been stalled by external intervention;
- ◆ Most community members were jobless and poor. These were seen as the group with the most potential as beneficiaries of the LRPP;
- ◆ The farming skills and potential held by all prospective beneficiaries needed to be ascertained. A proposal that beneficiaries initially be provided leasehold status on government-owned land was therefore suggested. The leadership believed that such a move would curb existing situations where communal land allocated to some village members has been lying fallow for most production seasons.
- ◆ Some community members contemplated an invasion of Gillemberg. Besides confirming the fears raised by farm workers and residents of Gillemberg, this action clearly revealed lack of understanding regarding the requirements of the LRPP.

4.2.5.3 Views of farm workers and residents of Gillemberg

Farm workers and residents of Gillemberg form an important beneficiary group. The Land Reform (Labour Tenants) Act Number 3 of 1996 protects the existing rights of labour tenants and makes provision for this group to access both the Settlement/Land Acquisition and Settlement Planning grants discussed above. Besides the provisions of the Act, most farm workers and residents of Gillemberg claim ancestral connections to the land.

Twenty-four farm workers and residents were randomly selected from cattle divisions, citrus orchards and the community development centre (see Table 4.6 below). As regards the group's knowledge of land reform issues, the majority (37.50%) associated the process with an agri-village development. While 29.17% correctly identified land reform with redressing past injustices, a substantial number (20.83%) had never heard of this government initiative. The programme was also seen as a failure with no effect on improving the livelihoods of its targeted groups.

Respondents mostly identified themselves as potential beneficiaries (54.17%). However, there were those who were satisfied with the prevailing *status quo* in which the ARDC continued to offer its managerial expertise (29.17%). Unlike members of the surrounding communities, a small, but significant, number (8.33%) did consider outsiders as potential beneficiaries. This view should however be weighed against the background that some members owe residential allegiance to the surrounding communities.

Regarding enterprise preferences in case they were selected as beneficiaries only 12.50% indicated their desire to continue with their present engagements. Most (45.83%) diverted their preferences to other enterprises, particularly the production of staple food crops. It is quite disturbing however, that 41.67% of the respondents had never given thought to such possibilities. Possible explanations could be lack of exposure to the financial and economic implications of different projects.

4.2.5.4 Views from ARDC officials based at Gilleberg

Unstructured interviews were conducted with office staff and the local management of ARDC at their central processing, administration and marketing plant. The main aim of the interviews were to evaluate the group's perceptions regarding the LRPP, appropriate beneficiaries to the programme, problems encountered and possible solutions.

Table 4.6: Combined Farm Workers' Responses

ITEMS RESEARCHED		% RESPONSE
ASSOCIATE LAND REFORM WITH	(a) Agri-village development	37.50
	(b) Agricultural development	8.33
	(c) Redressing past injustices	29.17
	(d) To cause more sufferings	4.17
	(e) Does not know	20.83
CONSIDER THE PROGRAMME AS	(a) A success story	16.67
	(b) A failure	41.67
	(c) Having no effect	41.67
CONSIDERS BENEFICIARY TO BE	(a) Self	54.17
	(b) Surrounding community	8.33
	(c) No change (still ARDC)	29.17
	(d) No response	8.33
CROP PREFERENCE	(a) Crop involved with as of now	12.50
	(b) Staple food	45.83
	(c) Does not know	41.67

Respondents considered the LRPP as a vehicle for empowering poor communities through land acquisition (for productive use), learning different farming skills and techniques, addressing tenure problems and ensuring a general equitable distribution of land.

In line with the Land Reform (Labour Tenants) Act, this group identified farm workers and residents at Gillemberg as the sole beneficiaries of the LRPP. Besides the provisions of the above Act, it was also cited that the preferred category did not only live on the farm all their lives, but had also contributed towards its development.

Respondents cited the problems that halted the progress of the LRPP as follows:

- ◆ Inferences (by the national ministry during its back-to-the land campaign) which purported that surrounding community members also stood to benefit from the programme. As indicated in Table 4.2 above, the capacity of Gillemberg fell far below accommodating the huge population involved ;
- ◆ Farm workers and residents of Gillemberg's lack of knowledge about the land reform process and their initial belief that only outsiders would benefit from the exercise;
- ◆ Lack of commitment and /or experience from the implementing agencies; and
- ◆ A high level of illiteracy amongst the potential beneficiary group.

The following were seen as possible solutions to some of the problems identified above:

- ◆ Re-establishment of a representative Provincial Steering Committee that would also cater for the interest of all beneficiaries.
- ◆ Discontinuation of the District Forum that mainly represented the needs of the surrounding communities especially those of forum members.
- ◆ Initiation of wide consultation with potential beneficiaries regarding the aims and objectives of the LRPP.

- ◆ Enlightening members of the surrounding communities about the incapacity of Gillemberg to bring everyone on board.
- ◆ Engagement of potential beneficiaries into discussions around the formation of share schemes.

4.2.5.5 Views from members of the Provincial Steering Committee

Interviews with this category were aimed at uncovering the group's objectives towards the LRPP, selection of the LRPP district, potential beneficiaries to the programme and controversies around the implementation of envisaged projects.

Land reform was seen as a government initiative to restructure land ownership. Through the LRPP, effective mechanisms for identifying and settling farmers were to be developed. The land settlement package also included financing and service delivery. In particular land reform was aimed at ensuring the availability of land to the historically disadvantaged for both agricultural and residential purposes.

The pilot area was selected amongst the many government projects mainly due to its well-developed infrastructure and presence of many potential beneficiaries. Beneficiaries were however prioritised as farm workers and residents of Gillemberg, followed by inhabitants of the surrounding communities. Committee members were particularly concerned about the high hopes raised among the latter as the probable beneficiaries of the Gillemberg LRPP.

The following were identified as stumbling blocks towards achieving a successful land reform :

- ◆ Lack of commitment by some PSC members;

- ◆ The existence of groups with vested interests. These included;
 - ☞ Those who associated the programme's success with job losses;
 - ☞ Committee members who drove the process for personal gain;
 - ☞ Lack of experience in managing land reform; and
 - ☞ The resistance of farm workers and residents of Gillemberg to continue participating in the programme.

Possible solutions to the above constraints were cited as follows:

- ◆ Direct involvement of potential beneficiaries in the planning process;
- ◆ Political intervention to improve interdepartmental commitment;
- ◆ Restructuring the communal land tenure system through the application of legislation which would promote the productivity of vast areas of unused land;
- ◆ The occupation of residential land on production units should be preceded by appropriate infrastructural development;
- ◆ Promotion of private sector funding; and
- ◆ Proper consultations with all stakeholders regarding the aims and objectives of a land reform programme.

4.2.5.6 A synopsis and possible lessons to the Gillemberg LRPP's failure

The LRPP at Gillemberg could generally be described as having failed to achieve its main objective i.e. testing effective mechanisms to distribute state land to the many rural inhabitants in the Northern Province, and exposing them to the effective application of limited government resources at the local level. Discussions with officials of the Provincial Department of Agriculture in December 1998 revealed that the constraints surrounding the identification of

actual beneficiaries to the Gillemberg Land Reform Programme were still persisting. This section aims at identifying some causal factors for this state of affairs.

The initial constraint to the programme's success could be directed at the agency department's choice of the pilot district. The subsequent implementation bottlenecks point to lack of a proper survey of the many government projects in the Northern Province. A survey of that nature could most probably have either suggested the exclusion of Gillemberg as a pilot district or the targeting of only farm workers and other residents of Gillemberg as potential beneficiaries.

The constraint above was unwittingly worsened during the national ministry's 'back-to-the-land campaign' (cited as a problem in 4.2.5.4 above). As that campaign was directed to all potential beneficiaries — including the 377 000 residents of the surrounding communities — it was mainly construed by the village elite and business people as an opportunity to occupy and benefit from the already well developed infrastructure at Gillemberg. It could also be probably true to infer that both the District Forum — consisting mainly of influential members of the surrounding communities — and the PSC viewed the role of farm workers as that of continuing with their labour provision function. This view emanates from the suggestion that both farm workers and other residents be removed from their compounds (scattered all over Gillemberg) to envisaged agri-villages. Occupation of these villages could obviously have greatly reduced the group's Land Settlement/Acquisition Grant that was necessary for effective participation in the different production units at Gillemberg. The halting of the process by farm workers and residents of Gillemberg, with the assistance of an NGO group, should therefore be viewed as a positive consequence against unfairness to this important beneficiary group.

Another constraint to successful implementation of the provincial LRPP relates to the existence of groups with vested interests — as identified by the PSC in 4.2.5.5 above. In the absence of effective mechanisms to empower the potential beneficiaries to a land reform programme, these groups will always be prevalent. The researcher views the solution to this problem as the establishment of a sub-directorate that would concentrate entirely on directly educating the communities about land reform issues. Perhaps the many educated but unemployed youths in the province could be utilised for this purpose. As many of them are unaware of the existence of this opportunity, they could probably also become beneficiaries to the programme.

4.3 Private and institutional land redistribution

4.3.1 The land market in the former districts of Potgietersrus, Pietersburg and Soutpansberg

The three districts mentioned above cover 3 020 829 hectares of the Northern Province's 11 960 000 ha (see Table 4.11). The speed at which land redistribution occurs within these districts could perhaps be the most reliable estimate of the general progress of land reform in the whole province. At the time of this survey, the land market in the three districts recorded 2 163 transactions — covering an area of 711 627 hectares. The results are presented in Tables 4.7 to 4.12.

Table 4.7 provides an analysis of the different types of land transfers. The table shows that the majority of land transfers (26.90% of the total) went to whites, followed by trusts (20.01%) and companies (12.20%). The table also reveals that transfers to black individual farmers (1.33%) and black communal property associations (0.33%) were the lowest over the four year period. Land transfers to

Table 4.7: Total number of farm units and land area transferred in the three former districts of Potgietersrus, Pietersburg and Soutpansberg (1994 to 1997)

	NUMBER OF FARM UNITS TRANSFERRED	%	AREA (Ha)	%
WHITES	914	42.42	191 424	26.90
BLACKS	62 (a)	2.87	9 430	1.33
COMPANIES	216	9.99	86 850	12.20
ESTATES	221	10.22	80 606	11.33
TRUSTS	305 (b)	14.10	142 409	20.01
CLOSE CORPORATIONS	219	10.12	78 484	11.03
TRIBES	94 (c)	4.35	95 525	13.42
COMMUNAL PROPERTY ASSOCIATIONS	3 (d)	0.14	2 320	0.33
EXPROPRIATIONS	94	4.35	14 067	1.98
TRANSITIONAL LOCAL COUNCILS	35	1.62	10 512	1.48
TOTAL	2 163		711 627	

- a) See Table 4.12 for sources of finance
- b) All recorded trusts fell under white ownership
- c) This is government land which previously fell under white designation
- d) This is the only CPA that combined the R15 000 grants to acquire farm units from the land market.

Table 4.8: Number of deed transfers in the former districts of Potgietersrus, Pietersburg and Soutpansberg for the period 1994 to 1997

	TOTAL	% OF TOTAL
SALES	1 719	79.5
ESTATES	221	10.2
TRIBES, TLC AND EXPROPRIATIONS	223	10.3
TOTAL TRANSFER	2 163	100.0

Table 4.9: Total area of farm land transacted in the former districts of Potgietersrus, Pietersburg and Soutpansberg for the period 1994 to 1997

	AREA (Ha)	% OF TOTAL AREA
SALES	510 917	71.8
ESTATES	80 606	11.3
TRIBES, TLCs AND EXPROPRIATIONS	120 104	16.9
TOTAL AREA TRANSFERRED	711 624	100.0

black tribes were however, significant at 13.42% of the total area (711 627 ha). The above figures are significant in that they could perhaps be considered as important indicators to the pace of land redistribution in the Northern Province.

Table 4.8 provides data on total deed transfers in the three former districts, while Table 4.9 presents the total area covered by these deeds. Table 4.8 shows that sales to private individuals (excluding estates) amounted to a total of 1 719 farm units (79.5% of the total). Transfers to estates, a combination of tribes, transitional

Table 4.10: Categories of buyers in the former districts of Potgietersrus, Pietersburg and Soutpansberg

TRANSACTIONS (FARM UNITS)			AREA (HA)	
CATEGORY	TOTAL	% OF TOTAL	TOTAL	% OF TOTAL
Whites	914	53.3	191 424	37.5
Blacks	62	3.6	9 430	1.8
Companies	216	12.6	86 850	17.0
Close Corporations	219	12.8	78 484	15.4
Trusts	305	17.8	142 409	27.9
Communal property Associations	3	0.2	2 320	0.5
TOTAL	1 719		510 917	100

local councils (TLCs) and expropriations respectively totalled an amount of 221 (10.2%) and 223 (10.3%) farm units. According to Table 4.9, the area covered under sales is 510 917 ha (71.8% of the total). Corresponding figures for estate and a combination of tribes, transitional local councils and expropriations are respectively 80 606 (11.3%) and 120 104 hectares (16.9%). The significance of these figures is that contrary to expectations, transfers from father to son (estates) were quite minimal over the four year period. Table 4.10 shows the categories of land buyers in the three former districts over the four year period. The table is significant in that it shows the pace at which the land market is contributing towards land redistribution in the three districts. As those regions cover a sizeable surface area of the Northern Province, the information in Table 4.10 will be vital for the whole province. That more whites (37.5% of the total) were active in the land market could perhaps not have come as a surprise. The comparative huge transfers of land to trusts (27.9%), companies (17%) and close corporations (15.4%): a combined transfer of 60.4% of privately owned land however does not augur well for land reform in the province. While the reason for this trend is unknown, one could be tempted to view the action as an attempt at derailing land redistribution in particular, and land reform in general. It is however encouraging to note that some black communities have started to form Communal Property Associations (CPAs). Up to the end of 1997 one CPA (the Monyamane Farmers Association with 201 households) had acquired three farm units from the land market covering 2 320 ha. Two other CPAs — Tshehla and Kalkfontein, covering a total of 2 821 and 540 hectares respectively — were at an advanced stage of designation and registration with Deeds Office in Pretoria (Mdluli, 1997).

A summary of land transactions over the four year period is provided in Table 4.11. According to Table 4.11, the three former districts consisted of 4 910 farm units covering 3 020 829 hectares. The extent of land redistribution in these

areas could probably be determined by the amount of land transferred to black individuals, tribes and CPAs. Table 4.11 reveals that the land market transferred a total of 9 430 ha to black individual farmers without making use of government grants.

Table 4.11: A summary of farm land transaction in the former districts of Potgietersrus, Pietersburg and Soutpansberg for the period 1994 to 1997

YEAR	TOTAL FARM DIVISIONS IN THE THREE DISTRICTS*		FARM SUB - DIVISIONS TRANSFERRED				AREA TRANSFERRED			
			TOTAL		TO BLACKS		TOTAL		TO BLACKS	
			NO	HA	NO	%	NO	%	HA	%
1994	4 910	3 020 829	484	9.9	17	0.3	124796	4.1	1774	0.06
1995	4 910	3 020 829	481	9.8	17	0.3	123466	4.1	3635	0.12
1996	4 910	3 020 829	446	9.1	14	0.3	144177	4.8	2875	0.10
1997	4 910	3 020 829	308	6.3	14	0.3	118478	3.9	1146	0.04
	4 910	3 020 829	1719	35.0	62	1.2	510917	16.9	9430	0.31

***Data supplied by the planning Division: Central Region: Department of Agriculture (Northern Province)**

Surface area of Northern Province = 11 960 00 ha (De Villiers, 1997)

National policy on land reform gives priority to the poorest provinces. Given that the Northern Province ranks amongst the top three poorest in South Africa, it becomes evident that the pace of land reform in this province is unacceptably slow. A closer scrutiny of Table 4.11 further reveals that whilst land market transfers to blacks over the first three years were almost constant (about 0.1% per year) a massive decrease was experienced in 1997 i.e. 0.04%. Considering the sample of land transactions in the three districts, summarised and discussed above, it is estimated that about 0.31% of commercial farm land in the Northern Province was sold to individual black buyers through private transactions. This amounts to 37 076 ha, indicating that land transfer to blacks occurred much faster when the government was not involved.

Effective land redistribution could perhaps depend on the ability of the disadvantaged to access financial assistance from formal institutions. Table 4.12 provides data on the sources of finance used by black farmers to purchase land in the three districts between 1994 and 1997. The table indicates that some blacks who bought land in the three districts over the four year period did succeed in obtaining financial assistance from formal sources, i.e. commercial banks and the Land Bank. The extent to which black farmers used own sources in their farming ventures is however astonishing. During the four year period 5 727 hectares (60.7%) were entirely funded from own sources. The figure excludes funding for the only communal property association (as CPAs are generally funded by government). In financial terms, own financial sources from black farmers amounted to 77.1%, a figure that is very close to Kirsten's (1996) findings (71%) in a similar study. This figure takes into account the observation that besides the entire own funding totalling R12 432 000 (49.2%), emerging black commercial farmers managed to supplement the bonds obtained from financial institutions by an amount which approximated R7 047 000 (27.9%). Indications are therefore

that only black elites are actively participating in the land market for commercial farm land.

Table 4.12 also reveals that most of the financial assistance to black farmers originated from the two major commercial banks, ABSA (14.5%) and FNB (8.7%), followed by the Land Bank (8.1%). Funding from these three financial institutions covered 1 363, 825 and 765 hectares respectively. It is suspected that the funding from private individuals originated mainly from former owners.

Table 4.12: Sources of finance used by blacks to purchase land in the three former districts of Potgietersrus, Pietersburg and Soutpansberg

SOURCE	FARM UNITS	BONDS COVERED	VALUE OF BOND		AREA FUNDED (BOND OR OWN)		PURCHASE PRICE		OWN FUND
	NUMBER		NUMBER	R000	%	HA	%	R000	
LANDBANK	03	02	1088	18.8	765	8.1	2320	9.2	1232
ABSA	09	09	1561	27.0	1363	14.5	3521	13.9	1960
FNB	04	04	1081	18.7	825	8.7	2040	8.1	959
NEDCOR	05	04	981	16.9	68	1.0	1937	7.7	956
AFRICAN BANK	02	01	460	7.9	65	1.0	920	3.6	460
NBS	01	01	220	3.8	09	0.1	480	1.9	260
PRIVATE PERSONS	04	04	400	6.9	610	6.5	1620	6.4	1220
OWN SOURCE	34				5727	60.7	12 432	49.2	
TOTAL	62	25	5791		9430		25 270		7047

Informal discussions were held with three farmers who were selected from Deeds Office records. Formal interviews regarding the sources of financial assistance could not be held as the three farmers considered matters of finance as confidential. The aim of the interviews was however to confirm the correctness of Deeds office data. Although no amounts were mentioned by the three respondents, it was discovered that two bought land from own financial sources while the third received a loan from the Land Bank. Deeds Office records indicated that the first two farmers who bought farms near Louis Trichardt in the Soutpansberg district respectively utilised amounts totalling R384 000 and R850 000. The third farmer from the former Pietersburg district obtained a R600 000 bank loan to purchase his farm for R2 million. The sizes of the two first farms were respectively 142 and 158 hectares, while that of the last was 68 ha. Differences in value could largely be attributed to many factors, including the productivity of the soil and proximity to markets. One farmer indicated that he was formerly employed by the Department of Agriculture as an Agricultural Officer, but moved to join the private sector before venturing into farm business.

4.3.2 Redistribution projects in the Northern Province

In order to keep abreast with land reform activities in the whole South Africa, DLA-National has established the sub-directorate Monitoring and Evaluation. The sub-directorate publishes and distributes statistics on each main land reform component on a quarterly basis. A summary of redistribution projects for the period under consideration is provided in Table 4.13 below. It identifies the number of projects, areas covered and beneficiary households in the nine provinces of South Africa. Projects are further subdivided into different phases i.e. the approval, designated or registration phase.

The approval phase denotes the end of the process that involved:

- ◆ The selection of beneficiaries;
- ◆ The valuation of land;
- ◆ The purchase of land;
- ◆ The establishment of a legal entity (company, CPA or trust);
- ◆ Land use planning;
- ◆ Planning for infrastructural development; and
- ◆ An analysis of financial feasibility of the project.

Once the Provincial Steering Committee is satisfied that all the above requirements have been met, the projects are approved and forwarded to DLA-National for ministerial designation. Ministerial designation is a process that is preceded by a thorough assessment by the relevant DLA-National directorate as to the availability and provision of money to purchase the land, and for the development of other essential infrastructure. The settlement/Land Acquisition Grant is utilised for the purpose.

The last phase — the registration of property rights — involves the registration and transfer of projects to the beneficiary groups or individuals.

Table 4.13 further indicates that although the Northern Province recorded the second highest number of approved projects (26) with the highest area coverage (a total of 75 207 ha) it had relatively fewer designated (4) and the least (only 1) registered projects.

**Table 4.13: Total number of projects, areas in hectares, number of households per phase by province as at end of September, 1997
(Naidoo, 1997)**

Province	Approval Awaiting Designation			Designated Awaiting Registration of Property Rights (Land Transfer)			Registration of Property Rights (Land Transfer)		
	No. Of Projects	Ha	House-holds	No. Of Projects	Ha	House-holds	No. Of Projects	Ha	House-holds
Eastern Cape	7	63 326	2887	5	4573	3045	5	4877	638
Free State	6	2785	242	14	4057	764	14	11 355	872
Gauteng	14	21 362	6 563	1	1248	250	4	247	3 383
Kwazulu Natal	16	53 654	6 062	15	11 712	1 486	21	38 425	4 032
Mpumalanga	6	11 638	1 106	3	1 928	201	10	16 167	3 371
Northern Cape	1	28 673	379	2	7 297	106	7	61 167	1 243
Northern Province	26	75 207	3 316	4	3 476	500	1	2 880*	356
North West	6	6 482	981	3	2 864	1 175	2	394	838
Western Cape	37	4 492	2251	3	557	45	1	99	261
TOTAL	119	265 623	23 787	50	37 714	7 572	65	136 182	14 870

* Deeds Office recorded this as covering 2320 ha with 201 beneficiaries

Considering that at the end of 1996 only 10 redistribution projects covering a total of 51 000 hectares had gone through the approval phase, data in Table 4.13 shows a remarkable improvement. The poverty stricken nature of the Northern Province and its prioritisation by DLA-National however dictate for a need to accelerate the land reform programme. As can be observed from Table 4.13, provinces such as Kwazulu/Natal (which is relatively better-off) are performing comparatively well. The 21 registered projects in that province (covering 38 425 ha) have attracted the highest number of beneficiaries. National redistribution figures also point to a slow institutional land delivery. Only 65 projects were initiated nation-wide between April 1994 and September 1997, (covering less than 140 000 ha and benefiting less than 15 000 households). Government has accepted that land reform through institutional redistribution is a slow process (Department of Land Affairs , 1996). It has indicated however, that the slow delivery could be justified by the need for long-run sustainability.

4.3.3 Leasing of state land

In August 1997 a survey of state land leased to black farmers in the former districts of Potgietersrus, Pietersburg and Soutpansberg was conducted. The survey revealed that a total of 128 farm units covering 124 306 hectares were leased out to aspirant black farmers in the three districts. Almost all these farm units (126) were only suitable for extensive cattle farming. The two remaining units, covering 798 hectares were suitable for dry land crop production. The cattle units varied in average size between 63 and 1 130 hectares.

An advertisement on the leasing of the above state land was made available at head office in Pietersburg and various regional offices. Aspirant applicants had to meet the following criteria:

- ◆ Only beginners and /or *bona fide* farmers qualified for leasehold;
- ◆ Leasing was to extend over a three year period pending orders from the Commission on Land Allocation and Restitution claims.;
- ◆ Permission to inspect the farm units was initially to be sought from either head office in Pietersburg or the various regional offices.;
- ◆ Application forms which were not to be photocopied — were to be collected in person from the above mentioned offices. Proof of identity was obligatory when obtaining or submitting forms.

The advertisement did not indicate the lease price. Discussions with officials of the Department of Agriculture in the Lowveld Region however, revealed that it was about R3 per hectare per annum. This seems to suggest that some of the poor and landless could perhaps utilise their R15 000 Settlement /Land Acquisition Grant to benefit from the state's leasehold programme.

Investigations on the leasing of similar state land in the Phalaborwa region (in an area that fell under the former Gazankulu homeland) have shown that beneficiaries were mostly government employees, professionals and established business people. The latter included shopkeepers and professionals. The failure of the leasehold programme to reach out to those targeted by the land reform programme (the poor, landless and unsophisticated) could perhaps be attributed to stringent entry requirements mentioned above. Other contributory factors could include lack of exposure to the land reform programme and financial constraints.

4.4 Specific tenure issues addressed by the Provincial Department of Land Affairs

The Northern Province DLA has embarked on two other tenurial issues. These are the handling of land tenure disputes and entering into discussions with the Department of Local Government and Traditional Affairs about the need for upgrading the PTO system.

A number of land tenure cases have been forwarded to DLA-National by the Provincial DLA. Disputes surrounding the cases vary from land transfers and mineral rights (Mphahlele case) to land invasions or illegal land occupation (Mashabela case) and overlapping land rights (Majunda-Bolt) (Department of Land Affairs, 1977a). Discussions held with senior provincial-DLA officials have revealed that a number of individuals and groups have indicated their intention to upgrade their PTO arrangements. Individual cases originated mostly from business people who — due to lack of entitlement to their properties — could not gain the assistance of formal financial institutions. Community groups also require title deeds to access the state's R 15 000 Settlement/Land Acquisition Grant.

The officials indicated that the upgrading process was complex and lengthy. To shorten the process petty agreements have been concluded between the Department of Land Affairs and the Department of Housing for the latter to recognise the various land tenure types which existed in the former homeland areas. The arrangements were aimed at allowing rural dwellers to gain access to the Settlement/Land Acquisition Grant without the need for title deeds. At the time of these discussions requests for assistance from both individuals and groups were still being awaited. There were however, isolated cases where chiefs had offered some of their land portions for township development (e.g. Mhinga

township Development).

4.5 Restitution in the Northern Province

As discussed earlier in Section 3.4 restitution is governed by the Restitution of Land Rights Act number 22 of 1994. The Act established the Commission on Restitution of Land Rights which comprises of the Chief Land Claims Commissioner, the Deputy Chief Land Claims Commissioner and a number of regional land claim commissioners. At the time of compiling this report, four regional land claims commissioners for the different provinces had been appointed. The commission keeps an up-to-date record of registered, gazetted, court referred and finalised restitution claims (See Table 4.14 below).

The Northern Province had registered 512 claims of which only 10 had been gazetted (1% of the national total). Three claims (9%) were still under negotiation between the claimants and the present land owners, while one (7%) had been referred to the Land Claims Court for arbitration as discussed in Section 3.4 above.

The province fared comparatively badly in almost all phases of the restitution process. The Western Cape had the highest number of gazetted (74%), negotiated (42%) and finalised (67%) claims. The table shows that the bulk of the claims in all provinces was still in the registration phase. The stagnation of claims was mainly attributed to the lengthy and detailed investigations conducted by the commission.

Most restitution cases in the Northern Province are rural based. These range from historical claims to claims for informal land and mineral rights (Department of

Land Affairs, 1997b). Historical claims included the re-establishment of former

Table 4.14: Restitution projects per phase per province as at end of September, 1997.

Province	Registered	Gazetted	With Commission	Negotiation	Court referred	Finalised
Western Cape	2884	664 (74%)	6 (35%)	8 (42%)	0 (-)	2 (67%)
Northern Cape	184	24 (3%)	3 (9%)	3 (9%)	5 (33%)	0 (-)
Free State	620	4 (0.4%)	0 (-)	1 (3%)	0 (-)	0 (-)
Eastern Cape	1 698	107 (12%)	1 (6%)	7 (21%)	4 (27%)	1 (33%)
Kwazulu / Natal	6 273	38 (4%)	3 (17%)	8 (24%)	2 (13%)	0 (-)
Mpumalanga	353	8 (1%)	0 (-)	0 (-)	0 (-)	0 (-)
Northern Province	512	10 (1%)	0 (-)	3 (9%)	1 (7%)	0 (-)
Gauteng	4 362	8 (1%)	4 (23%)	0 (-)	0 (-)	0 (-)
North West	953	23 (3%)	0 (-)	3 (9%)	3 (20%)	0 (-)
Total	17 803	866 (100%)	17 (100%)	33 (100%)	15 (100%)	3 (100%)

Source: Naidoo, 1997

kingdoms and the recognition of those chiefs whose authority was discredited by former governments. Communities who have lodged informal land rights claims were mostly unaware that their rights to land were severed long before the 1913 cut-off date. The major factor that exacerbated the problem was that after dispossession, many victims remained on the land as labour tenants. Communities who claimed for the restoration of mineral rights were also not aware that such rights were severed even before the former title deeds were granted. All these factors presented serious problems for the commission (Department of Land Affairs, 1997b).

High profile restitution cases for the Northern Province included the following:

- ◆ The Tshivhulana claim which has been gazetted. The claim concerns an area near Vuwani in the former Venda homeland where the tribe was forcibly removed for the settlement of the Tsonga/Shangaan communities.
- ◆ The Makuleke claim on the land that had been developed as a nature conservation area. Interested groups include individuals, communities and government institutions.
- ◆ The Schildpadnest case in which communities have indicated their intentions to negotiate with the present land owners for damages against the loss of surface rights. Communities have also claimed for the rehabilitation of the surface area once mining operations ceased.
- ◆ The Mabo claim on several portions of privately owned land near Pietersburg where labour tenants were removed in 1964. A counter claim was lodged by a number of private land owners and two black communities requesting that the Mabo community claim be set aside. At the time of compiling this report the claim had been forwarded to the land Claims Court

for arbitration.

- ◆ The Manenzhe claim on a vast area of land in the Soutpansberg district. The area also included certain portions of the former Venda homeland. Claimants comprised many communities such as those from Nefolovhodwe and Nermalala.

4.6 Conclusion

The new South African government has identified land reform as a crucial programme for redressing past injustices. The aim of this chapter was to evaluate the progress of the Northern Province in its attempt to achieve this objective. Particular attention was directed at the two year pilot programme and advances attained with the three reform components between 1994 and 1997.

The pilot area — Gillemberg Boerdery — came into existence when the original 29 farms were bought by the former government for the resettlement of the Mokgorong community. The area was however later placed under the custodianship of the SADT when the envisaged forced resettlement failed to materialise. As from 1994 the farm has been placed under the management of ARDC. In 1995 Gillemberg was selected by the Department of Local Government and Traditional Affairs — the agency department — as a pilot district for the Northern Province.

The agency department prepared all the necessary groundwork for the initiation of the LRPP. Preparatory work included the submission of a budget proposal to National-DLA, establishing the Provincial Steering Committee and the appointment of the pilot district personnel. Several implementation bottlenecks were encountered. These included political intervention, insufficient commitment

by steering committee members, delays in committing budgeted funds to pilot projects, inadequate consultations with the stakeholders, improper planning and a moratorium by an important beneficiary group. The failure of the pilot programme to produce tangible results more than two years after its inception is largely attributed to these factors.

Data obtained from the Deeds Office has pointed out to a very active land market in the Northern Province. In the three districts studied, 16.9% of the land exchanged ownership through the land market. The majority of these land transfers however, benefited white individuals, trusts and companies. Black individual farmers and government funded communal properties associations received the lowest share. There was however, a significant transfer of land to black tribes. While reasons for higher land transfers to trusts, companies and close corporations are unknown, one could infer the action as being an attempt at derailing the land reform programme.

The chapter has also revealed that black farmers are highly dependent on own financial sources for funding their farming operations. This could suggest that beneficiaries to a land market redistributive mechanisms could mostly be the elites and business people. Informal discussions with three beneficiaries to the land market seem to confirm this view.

Institutional redistribution projects have widely been initiated and approved. Comparisons with projects initiated nationally have shown that the Northern Province had the second highest number of approved projects. The province has however, recorded fewer designated and the least registered projects.

Other institutional redistribution projects included the leasing of the state land. Discussions with responsible officials indicated that beneficiaries were mostly highly placed government officials, business people and private sector professionals. Lack of participation by the poor and unsophisticated could largely be attributed to the prohibitive entry requirements.

Most tenorial reform in the Northern Province involved the handling of land tenure disputes and arriving at petty agreements with the Department of Housing. The latter was aimed at accelerating the transformation of the prohibitive PTO system mentioned above.

The Provincial-DLA had received a number of restitution cases. These ranged from historical to those for informal land and mineral rights. Some high profile informal land claims have been highlighted.

CHAPTER 5

SUMMARY AND RECOMMENDATIONS

5.1 Summary

The main aim of this study was to provide an assessment of the land reform programme in the Northern Province. The ultimate objective is to add information on the course of action that a sustainable land reform should follow. Closely related to this objective is the possible contribution that a land reform programme can make to poverty alleviation through productivity increases. The findings of this report could also be vital in providing the necessary information to all stakeholders with a direct interest in land and related matters.

Land reform is not unique to this country. Many countries — notably those that experienced colonial rule — have utilised the process to achieve various but sometimes conflicting objectives. This study therefore, commenced by reviewing lessons gained by a few selected countries. Particular attention was directed at two countries each from Africa and East Asia.

The countries reviewed experienced various forms of landlessness. Included amongst these are the following:

- ◆ Africans who had established themselves on “suitable land” in Kenya were resettled into government owned communal reserves.-
- ◆ In Zimbabwe the colonial government forcibly removed many peasants from European land, again into reserves.

- ◆ In both South Vietnam and Taiwan many indigenous inhabitants were either tenants or agricultural workers on landlord estates.

Perhaps the most important lesson that emanates from the four countries studied could be the need for genuine political, social and economic commitment to a land reform programme. The above countries' initial policies were geared towards the domination of the many indigenous inhabitants by the few (usually colonists). In three of these countries — Kenya, Zimbabwe and South Vietnam — failure to address the needs of the majority and the initiation of cosmetic reforms resulted in serious conflicts.

This study also reviewed the distorted South African agricultural environment. The implementation of distortionary policies was achieved over a period that exceeded a century. By the mid-1970s almost all signs of the harmonious farming relationship that existed in the mid-19th century had vanished. Major laws that ensured the long term existence of these distortions were the Land Acts of 1913 and 1936. These were further enhanced by the various discriminatory laws that were promulgated under the National Party government. With the passage of time however, economic realities and budgetary constraints called for major shifts in agricultural policies (more especially in the mid-1980s and early 1990s). In particular, the 1990s witnessed the emergence of various laws that sought to redress past injustices. These included the Restitution of Land Rights Act Number 22 of 1994, the Land Reform (Labour Tenants) Act Number 3 of 1996 and the Communal Property Association Act Number 28 of 1996.

As stated earlier, the main objective of this study was to assess the progress of the government initiated land reform programme in the Northern Province. Particular attention was focused on the Gillemberg pilot study and three major components

of the land reform programme.

The agency department selected the pilot area after due consideration of the national criteria. It however experienced a number of implementation problems. These were revealed in Section 4.2.5 above. Failure to implement the programme up to the completion of this report could largely be attributed to the contribution of these implementation bottlenecks.

An evaluation of the progress with the three major components of the land reform programme in the Northern Province has revealed the following:

- ◆ The province had an active land market. Major beneficiaries to market assisted land transfers were white individuals, trusts, companies and close corporations. The very few black individuals who benefited from the system seemed to be mostly the elites and business people. A significant amount of land had however been transferred to black tribes.
- ◆ Financial assistance to black farmers seemed to be the major prohibitive factor for entry into the land market. A very high percentage of entrants into this market depends on own financial sources.
- ◆ Institutional redistribution mainly involved government assisted projects and the leasing of state land. In comparison with other provinces, the Northern Province had initiated and approved the second highest number of the former. Deeds Office records in Pretoria however, have indicated that the province had the least number of registered projects. The leasing of state land seemed to benefit the elites and affluent business people. This was mainly attributed to their stringent entry requirements.
- ◆ Major tenurial reform issues involved the transformation of the communal system and the development of strategies for recognising the communal land

tenure system's PTO requirements.

- ◆ The Provincial-DLA had received a number of rural-based restitution claims. These had been forwarded to the Commission on Restitution of Land Rights for further processing.

5.2 Recommendations

It is the view of this researcher that a sustainable land reform for the Northern Province in particular and South Africa generally should take cognisance of the following:

- ◆ Political intervention into matters related to land reform should be reduced to a minimum. Such an intervention should seriously guard against advancing unattainable undertakings. The inclusion of the 377 000 members from communities around Gillelberg could probably have been the major causal factor towards stalling the LRPP.
- ◆ Land reform will most probably encounter individuals and groups with vested interests. Clear mechanisms to accommodate the real beneficiaries to land reform programmes need to be put in place. Whereas the National-DLA has established the sub-directorate responsible for disseminating information to all interested parties, many rural dwellers are still unaware of the various programmes. There is probably a need for a specific sub-directorate that would concentrate on educating the rural masses about land reform issues.
- ◆ The major constraint preventing the previously disadvantaged from benefiting from the land market is formal financial assistance. The problem could be exacerbated by lack of exposure to this redistributive mechanism. Government intervention particularly in identifying potential beneficiaries

and available properties for the establishment of share schemes could go a long way toward facilitating land redistribution via the land market.

- ◆ The poor, landless, and unsophisticated rural dwellers should be encouraged to participate in the leasing of state land. This would require the simplification of entry requirements. Successful beneficiaries — in terms of income and production increases — should be accorded the option of purchasing their rented units.
- ◆ On the basis of the lessons from the four countries examined in this report, perhaps South Africa could utilise the Land Settlement Grant — an important component of the new Land Reform Programme — to the advantage of many rural dwellers. As at the time of writing this report much of the grant was being utilised for housing provision in government initiated settlement villages. As this is a once off grant, beneficiaries who opted for the latter usage will for ever be deprived of engaging their grants to productive use. The massive settlement of these villages could be attributed to lack of knowledge about other available options. The solution to this problem could perhaps be government purchases of large scale farms for subdivision into smaller free holdings through the Land Settlement grant.

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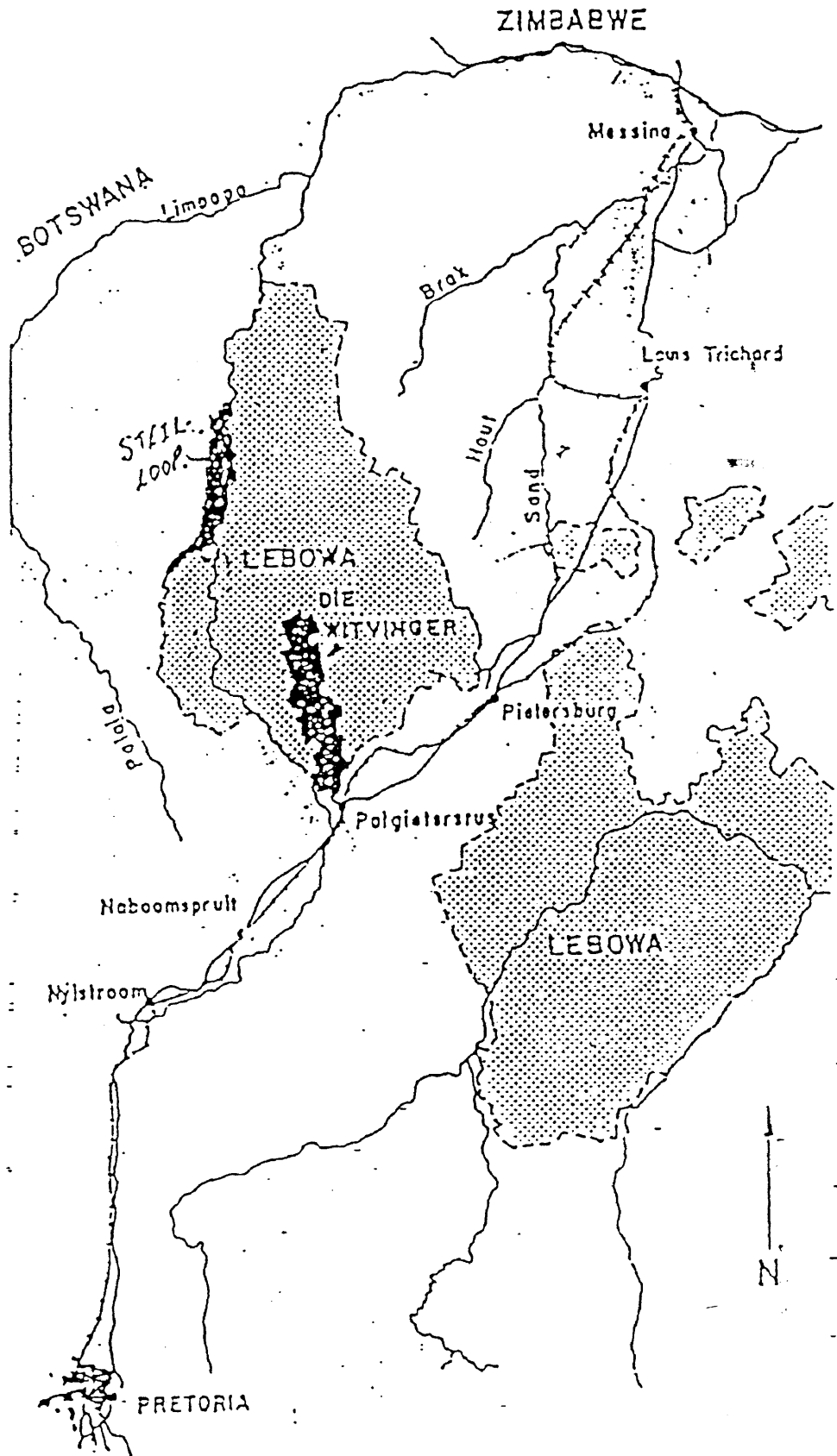
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APPENDICES

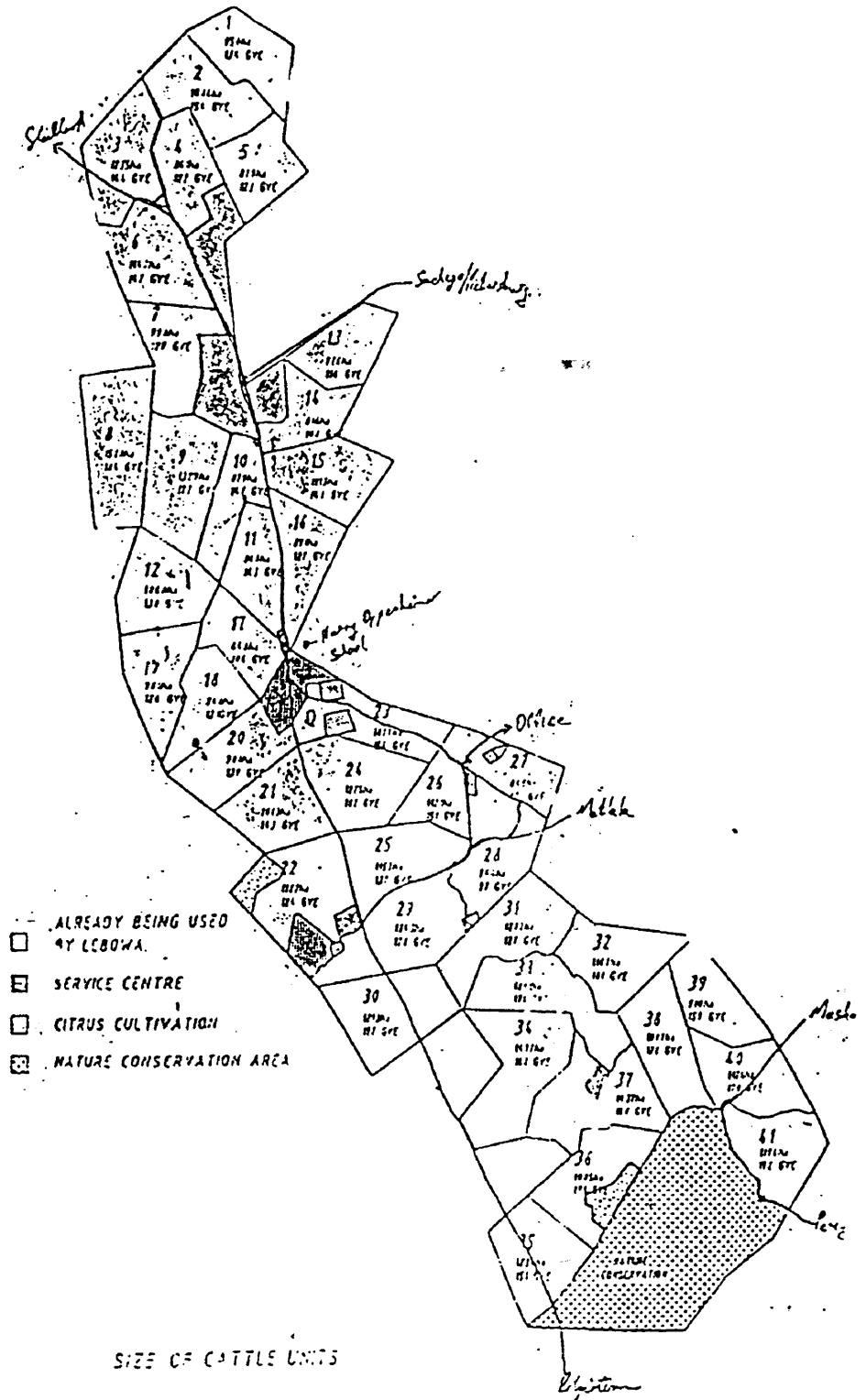
APPENDIX A

A MAP INDICATING LOCATION OF GILLEMBERG



APPENDIX B

THE REPLANNED FARM UNITS AT GILLEMBERG



APPENDIX C

ORIGINAL FARMS IN THE WITVINGER AREA

NAME	NUMBER	AREA (ha)
Altona	696 LR	1100.1
Armoede	823 LR	685.2
Aronsfontein	722 LS	3335.3
Bultongfontein	239 KR	2352.0
Chlun	735 LR	1215.1
Doornfontein	721 LS	2619.1
Dorsland	768 LR	1917.2
Elandsfontein	776 LR	1881.6
Gibeon	730 LR	1848.8
Gilead	729 LR	2085.0
Ham	699 LR	1842.7
Hamburg	737 LR	1698.1
Hebron	727 LR	1487.3
Holmesleigh	237 KS	1924.9
Luge	697 LR	2248.3
Lumberg	769 LR	1926.5
Luxemburg	772 LR	1790.2
Noordbrabant	774 LR	1887.4
Noord Holland	775 LR	1228.8
Rietfontein	720 LS	1840.1
Rooibokfontein	821 LR	1876.1
Shillelagh	764 LR	41.1
Stirum	767 LR	1578.0
Swerwerskraal	763 LR	2404.1
Tweespalk	733 LR	2176.8
Utrecht	766 LR	1456.6
Witrivier	777 LR	1556.4
Zuidbrabant	719 LS	1371.8
Zuid Holland	773 LR	2165.5
TOTAL AREA (ha)		51 540.4
1. Area utilised by Lebowa		
1.1 Harry Oppenheimer School		500.0
1.2 Stirum School		8.6
2. Proposed Area (ha)		51 031.8
Potential town area		170 ha
Extensive beef cattle farming (entrepreneurs)		44 473 ha
Central managed citrus farming		1 850 ha
Central managed pig farming		14 ha
A nature reserve		4 525 ha
TOTAL		51 032 ha

APPENDIX E



PROGRESS TO TIME PLAN

		1994	1995				1996				1997
		4th	1 st	2nd	3rd	4th	1st	2nd	3rd	4th	4th
a	Establish National Task Team & Provincial Steering Committee	X									
b	'Select Districts'	X									
c	Appoint District Personnel				X	X					
d	Pre - planning proposal			X	X						
e	District Structure Planning			X	X						
f	Project Planning			X	X	X	X				
g	Plan Appraisal				X	X	X	X	X	X	
h	Land Acquisition				X	X	X	X	X	X	
i	Basic Needs Delivery				X	X	X	X	X	X	X
j	Participatory Planning training			X	X	X	X	X	X	X	X
k	Monitoring and evaluation			X	X	X	X	X	X	X	X
l	Expansion (on receipt of further funds)						X	X	X	X	X

7. PRACTICAL FARMING EXPERIENCE

Prospective farmers with applicable farming experience will be given preference if all other factors are equal.

8. FINANCIAL POSITION

The principle of contribution of capital or goods is important as it involves the applicant's stake and attitude towards the enterprise. The National Department of Agriculture will provide a formula that will be used to determine the minimum and maximum amount according to land size for applicants to qualify for selection.

9. WORK EXPERIENCE

Applicable work experience and a record of job stability will be to an applicant's advantage.

10. ESTABLISHED PEOPLE

People who have adequate income and are self sufficient e.g. professional people, shopkeepers etc. will not qualify.

11. SETTLEMENT CONDITIONS

People who are selected for settlement must be prepared to be full time farmers.

12. CITIZENSHIP

Applicants must be citizens of the Northern Province.

13. QUALIFIED FULLY TRAINED APPLICANTS WITHOUT EXPERIENCE

Prospective farmers with applicable qualifications who have had no farming experience will be considered.

APPENDIX G

LAND REFORM PILOT PROGRAMME NORTHERN PROVINCE PROGRAMME OF IMPLEMENTATION

ACTIVITY IDENTITY NUMBER	ACTIVITY DISCRIPTION	TIME PARAMETER (WEEKS)						
		EARLIEST		LATEST		FLOAT		DURA -TION
		START	FINISH	START	FINISH	TOTAL	FREE	
A001	ADVERTISING	19.11.96	26.11.96					1
	WORKSHOP BENEFICIARIES	19.11.96	21.01.97					8
A002	ESTABLISHMENT OF FARMERS SELECTION COMMITTEE	05.11.96	12.11.96					1
	1.PROCUMBENT OF APPLICATIONS	21.01.97	28.01.97					2
	2. PRELIMINARY SELECTION	28.01.97	11.02.97					2
	SHORT LISTING	06.02.97	07.02.97					2
	3.INVESTIGATION OF APPLICANTS	04.02.97	11.02.97					1